

NEWS SUMMARY

GENERAL

Turkish threats on arms embargo

BUSINESS

Equities shrug off bad news

Turkey will dismantle all U.S. bases on its territory and end its "special relationship" if America maintains its embargo on supplying arms to Turkey, a senior Turkish cabinet minister said yesterday.

The U.S. Senate foreign relations committee has voted against ending the embargo. Supplies were cut off three years ago after Turkey invaded Cyprus. The U.S. decision has been welcomed by the Cypriot and Greek governments.

In West Germany, Chancellor Helmut Schmidt has promised more military and economic aid to Turkey to fill the gap left by the embargo. *Back Page and Page 2*

The Rhodesia African National Council will decide at an emergency meeting to-morrow whether or not to pull out of Rhodesia's transition Government. The Rev. Sithole and a representative of Bishop Muzorewa are in London for private visits. *Page 2*

West German police have charged Stefan Wisniewski with belonging to an illegal organisation. Wisniewski, who was arrested at his airport on Thursday, is suspected of involvement in the kidnapping and murder of Hanns-Martin Schleyer. *Page 2*

United Nations troops yesterday began introducing new security measures around the Lebanese port of Tyre after completing a redeployment in the region.

The Kremlin "deeply regrets" this week's border incident, in which China says Soviet troops crossed the border and wounded several Chinese peasants.

A British Army Scout helicopter crashed near the West German town of Lemgo yesterday, killing the pilot and passenger. At RAF Leuchars, Fife, a man died and another was seriously injured when a Navy Phantom jet crashed.

Pope Paul is to attend state funeral for Aldo Moro, the former Italian premier's family are to boycott the ceremony.

Sheila Buckley, former secretary of John Stonehouse, was granted an immediate discharge from bankruptcy if she pays off £12,345 of her £27,784 debts.

Russian dissident Yuri Orlov is to be tried on Monday on charges of anti-Soviet agitation.

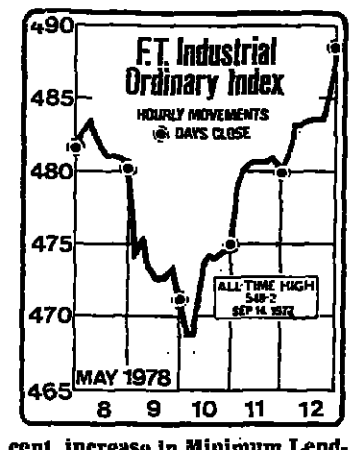
Princess Margaret's divorce petition has been filed at Somerset House and is expected to be heard within a fortnight.

Decision to allow return of American president, has provoked left-wing protests. *Page 2*

Children aged 16 are to become eligible for student grants as part of a scheme intended to attract about 50,000 more 16-18-year-olds to stay at school. *Page 4*

South African decision to appoint two men to monitor treatment of detainees came "about 35 deaths too late," said Helen Sulman, Opposition MP. *Page 2*

Finland children will automatically take their mothers' surnames under a proposed new law. In the U.S., weather authorities have been persuaded by feminist groups that hurricanes should no longer be named only after women.



Lending rate rise puts pressure on building societies

BY MICHAEL BLANDEN AND MICHAEL CASSELL

The building societies are under mounting pressure to adjust interest rates and more expensive mortgages may be only a few weeks off.

The Bank of England's minimum Lending Rate rose yesterday by 1 per cent, to 9 per cent, leaving it 2 1/2 per cent higher than in mid-January, when the societies last brought their rates down. The mortgage rate stands at 8 1/2 per cent.

The increase in MLR will not in itself prove decisive in changing the societies' rate structure but they have become increasingly less competitive as the general level of interest rates has risen.

A number of factors seem set to ensure that the movement's net receipts continue to fall for the next few months and that societies will have to act if they wish to attract sufficient funds from the investing public to maintain mortgage lending.

Figures published yesterday showed that net receipts last month reached £335m, against £308m in March. The April improvement, however, is against the current trend and net monthly receipts could soon fall under £200m. The October 1977 peak saw receipts reach £580m.

In addition to growing competition from the banks, particularly for large amounts, the societies face a highly competitive June issue of National Savings certificates and a seasonal withdrawal of money to finance holiday expenditure.

The societies already are drawing heavily on liquid funds—£100m, last month—to maintain even the lower levels of mortgage commitments imposed on them by the Government in its attempt to keep house prices down. Mr. Norman Griggs, secretary-general of the Building Societies' Association, said last night that the societies would review interest rates on June 9.

The small rise yesterday in MLR was seen in City markets as an adjustment after the sharp jump last week from 7 1/2 per cent to 8 1/2 per cent.

This was generally regarded as an unsatisfactory level by the markets, which prefer to see upward moves in the rate in round figures. Earlier this week, there had been persistent speculation on the possibility of a further rise in MLR to a higher figure.

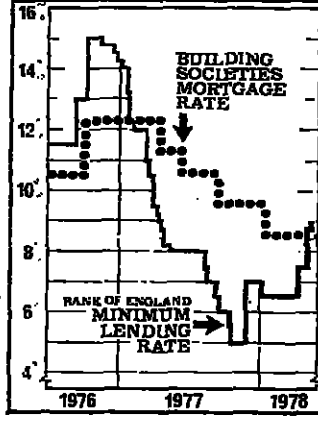
The feeling that the markets now could settle down at the new level was supported by the Bank of England's decision to announce a new issue of £800m of short-dated Government stock.

The new stock is a replacement for the previous short tap, which ran out just over three weeks ago. With terms pitched in line with the market, the issue was seen as confirming the new level of short-term interest rates.

The gilt-edged market improved in late trading, with the Financial Times Government Securities Index ending 0.05 up at 1703.

The new stock is a further tranche of £800m, of 9 1/2 per cent, issued at a price of 94.75 per cent, to give a flat yield of 9.76 per cent, and a return of 10.79 per cent to redemption.

Editorial comment Page 14
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Government may sue over motorway faults

BY LYNTON McLAIN, INDUSTRIAL STAFF

LEGAL ACTION may be taken by the Transport Department against motorway contractors for the structural failure of vital bridge bearings and expansion joints on the M5 and M6 in the West Midlands.

Across Britain, a big motorway repair programme costing at least £100m over the next five years is now under way after the discovery of thousands of faults on motorway viaducts and damage to surface and base materials.

More than 18,500 bridge bearings and 2,400 expansion joints on the M5 and M6 are affected.

The Transport Department said last night that there had been "inadequate ramming-in of dry jointing material on the expansion joints which allow movement of the viaducts and there may have been inadequate standards of inspection of bridge bearings."

It was "not inconceivable that legal action may be taken against contractors who worked on these projects." The original design had been in accordance with good practice at the time but was now no longer recommended.

Seventy miles of the M5 and M6 would have to be dug-up and rebuilt because of failure of the base material, the Department said. This was no reflection on any contractor or designer, but made necessary by unexpectedly high traffic, especially heavy vehicles.

Rapid and excessive surface wear of the carriageways has helped boost the expected repair bill for the West Midlands region to between £35m and £50m over the next four to five years.

Between £9m and £10m is to be spent by the Transport Department in this year.

In the Commons this week, Mr. William Rodgers, Transport Secretary, said many miles of dry jointing material on the end of their serviceable lives.

Major repairs would be undertaken this year on 84 of the 1,441 miles of motorway across Britain, at a cost of £20m. Work was likely to continue at a similar rate for the next five years.

"Some interference with traffic flow is part of the unavoidable cost of this work," he said. But repair of Midlands motorways would be suspended in October, during the Motor Show.

The sections worst affected have been on the M5 and M6. Stretches of the M5 damaged are from Junction Eight south of Worcester to the M5 and M6 interchange. On M6 the whole section from Junction One at Coventry to Junction 16, north of Stoke-on-Trent, has been affected, but repairs have already been done between Junctions 13 and 15.

The serious damage to motorway surfaces and structures follows an unprecedented rise in heavy road traffic. In the 1960s, the Transport Department forecast a 4 per cent annual growth.

The actual rate is now 6 per cent, or more, while there has been a rise of 10 per cent in the "damage power" of heavy lorries as a result of vehicles travelling more fully loaded than the Department had expected.

The interchange between the M5 and M6, opened in 1970, was expected to handle a maximum of 72,000 vehicles a day by 1985. But by 1975 the roads were handling more than 75,000 vehicles a day.

Lonrho bid to be investigated

BY ANDREW TAYLOR

Lonrho IS to continue its fight to take over Scottish and Universal Investments, even though the bid has been referred to the Monopolies and Mergers Commission for investigation.

The bid valued SUITS at £40m at Lonrho's closing price of 70p (up 1p) last night. On news of the Monopolies probe SUITS fell further yesterday, down 2p to 112p.

If the bid is given the go-ahead by the Monopolies Commission, Lonrho says it will launch a fresh offer. The Commission must make its report within six months.

Lonrho said that terms of a new offer would depend on prevailing conditions in the market. It has already bid 11 of its shares for every six SUITS shares but this offer has now lapsed as a result of the Monopolies probe.

Mr. Roy Hattersley, the Prices Secretary, announced the investigation in a brief statement yesterday just 24 hours after he had seen representatives from both sides of this strongly contested bid.

Shortly afterwards, Lonrho announced its intention to continue the battle and said that it did not intend to part with any of its existing holdings in SUITS.

A Lonrho spokesman said that the group hoped it would succeed in persuading the Commission that the acquisition would be in the public interest.

Lonrho's stake in SUITS reverts to 29.34 per cent. It also has a 19.38 per cent stake in the House of Fraser retailing shares for every six SUITS shares but this offer has now lapsed as a result of the Monopolies probe.

Mr. Bruce Fireman, a director of Charterhouse Japhet, the merchant bank advisers of the three SUITS directors who have opposed the bid, said yesterday that the bank would begin preparing its case to the Monopolies Commission next week.

He said: "My only regret is that Mr. Hattersley's announcement was not made later—it had been obliged to disclose its embarrassing low level of acceptance."

The main defence put up against the bid has been that it was too low and did not contain a cash element. It now remains to be seen whether Lonrho should obtain clearance from the Monopolies Commission—will be prepared to raise the terms of its offer.

Feature Page 14

NatWest buys U.S. bank for \$300m.

BY MICHAEL BLANDEN

NATIONAL WESTMINSTER BANK, one of the big four U.K. clearing banks, has agreed to pay about \$300m. (£185m.) to buy control of the New York-based National Bank of North America.

It is the biggest purchase of a U.S. bank by a British banking group, and the most important step undertaken by NatWest since the merger of its own two constituent banks in 1968.

The deal will provide the bank for the first time with a major retail banking base in the U.S. It follows a long search by NatWest which made it clear some time ago that it wanted to buy a bank in New York.

It is the second big U.S. acquisition by a foreign bank to be announced recently. The first was last month's move by Hongkong and Shanghai Banking Corporation to merge with Marine Midland Bank.

The move could be followed by further investments from abroad, with a number of foreign banks believed to be interested in acquiring a banking base in New York.

Mr. Robin Leigh-Pemberton, the chairman of NatWest, said yesterday that the deal would provide the bank with an indigenous dollar deposit base which would help the development of its business not only in the U.S. but also in the whole of the western hemisphere.

At present, NatWest's operations in the U.S. are confined to wholesale banking business with large corporations, through branches in New York, Chicago and San Francisco and offices in Los Angeles and Houston.

News of the deal brought a rise in the NatWest shares on the stock market by 4p to 252p.

National Bank of North America is a nationally chartered bank operating through 141 offices in New York State and with gross assets exceeding \$3.8bn. At the end of 1977, the bank was ranked 11th in New York state and 40th in the U.S. in terms of assets.

For the financial year 1977, the profit of the New York bank amounted to \$112.6m, after all charges and tax adjustments.

Historically, NatWest said yesterday, the U.S. bank had achieved one of the highest rates of return on total assets in the New York market. It suffered along with other banks from problems in 1975 and 1976 but profitability was now again on a firmly upward trend.

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Background to takeover Page 2
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Carter thinks again on size of tax cuts

BY JUREK MARTIN, U.S. EDITOR

WASHINGTON, May 12.

PRESIDENT CARTER, in a significant shift in economic policy brought on by mounting fears of inflation, has agreed to accept a smaller tax cut package than he had originally wanted and to see its implementation delayed by three months until the start of next year.

The overall size of the tax reduction and reform programme will be trimmed from a net \$24.5bn. to the \$19.4bn. level proposed in the House of Representatives budget resolution, though there may be some slight change in the latter figure. In the 1979 fiscal year, which would only be in effect for nine months of the year, would be worth about \$15bn.

The result of the change would be to trim next year's Federal Reserve Board by about \$8bn, to approximately \$53bn. Both the delay in introducing the tax cuts and the \$53bn. deficit level have been recommended as economically necessary by Mr. G. William Miller, the new chairman of the Federal Reserve Board who has just established himself in less than ten weeks as a major economic policy force in Washington.

In contrast, with the handling of the \$80 tax rebate last year, the Administration appears to have done a better job on this occasion of preparing Congress for its action. The final decision was taken yesterday at a meeting between the President and Congressional leaders following a session between the chief economic policy makers and another between Mr. Miller and President Carter.

Nonetheless, the charges of a volte face are bound to fly in the weeks ahead, as Congress tries to sort out the fine print of the tax cuts. Mr. Schultz made it clear today that while changing the overall numbers, there was no shift in the Administration's position on the composition of the cuts, which had been weighted to favour private individuals over corporations.

It would be unconventional, to say the least, for a Congress facing defeat in the elections to allow the business tax cuts to stay while substantially reducing hoped-for individual tax reductions. However, both Mr. Miller and other Administration officials have argued that the investment climate must be improved if the economic recovery is to be sustained over the next couple of years. Some hard bargaining, therefore, still lies ahead.

The economic case aside, today's action is bound to renew the debate about President Carter's constancy in policy making.

Rejects

Administration officials, led by Mr. Charles Schultz, chairman of the Council of Economic Advisers, and Mr. Jody Powell, the Press Secretary, strenuously rejected the inevitable comparison between today's action and the dropping of the \$80 tax rebate in the spring of last year.

Mr. Schultz, who only last week had delivered a vigorous speech defending the size and timing of the original tax proposals, contended that the shift had been brought on by a change in economic circumstances in recent weeks and that Administration officials would have been "idiots" if policies had not been amended to reflect this.

This was an appreciation, however, which apparently had not percolated down to all members of the Cabinet, one of whom, Mrs. Juanita Kreps, the Secretary of Commerce, delivered a speech in North Carolina this morning which bore a marked resemblance to that of Mr. Schultz last week.

They key changes, Mr. Schultz argued this afternoon, was that it was now clear that the first quarter decline in gross national product was an aberration brought on by the coal strike and a bad winter and did not reflect the true underlying strength of the economy. Unemployment in particular, he noted, had come down far faster than had been anticipated at the start of the year. While doubts persisted about output and unemployment, the bigger tax cut package was

£ in New York

	May 12	Previous
April	81,194,236	81,203,917
1 month	81,194,236	81,203,917
3 months	81,194,236	81,203,917
12 months	81,194,236	81,203,917

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TODAY

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David Collins, Sunday Telegraph, April 30th, 1978.

Since the relaunch of this fund on 1st September 1976 the fund has increased in value by 10.6% compared to a fall of 15.1% in the Dow Jones Index over the same period.

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The Managers reserve the right to close offers if unit values rise by more than 25%.

Applications will be acknowledged, and unit certificates will be issued within 14 days. The offer price includes an initial charge of 5%. The annual charge is 1.5% V.V.A. All net income accumulated within the fund. After the close of the offer, if these units are purchased the weekly (Thursday) dealing date, when units can also be sold back.

Payment will be made within 14 days of the dealing date and on receipt of your certificate duly renewed. The weekly price and performance in most leading newspapers, a commitment of 1% will be paid to recognised accounts.

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CHIEF PRICE CHANGES YESTERDAY

RISERS

Treasury 10yr 1989	103 1/2	+ 1/2
Treasury 10yr 1999	98 1/2	+ 1/2
Avon Rubber	206	+ 9
Boots	223	+ 7
Bruderhof (P.)	149	+ 5
Brown (John)	221	+ 9
Carroll Dean	206	+ 7
De La Rue	320	+ 10
KMI	145	+ 3
Guarile	121	+ 6
European Perries	580	+ 10
Hall (Matthew)	221	+ 6
Hutch Johnson	108	+ 6
KCI	281	+ 7
Lough Interest	156	+ 9

FALLERS

London Merch. Secs.	98	+ 4
Lucas Inds.	314	+ 8
Marks & Spencer	147	+ 3
Morris & Blakely	38	+ 12
Perry (H.)	190	+ 1
Some-Plant	134	+ 8
Tormac	139	+ 9
Trafalgar House	137	+ 4
Tunnel Holdings B	278	+ 6
Turner & Newall	296	+ 10
Seafarmer	285	+ 10
BFI South	81	+ 8
Pancontinental	111	+ 2
Parfina	44	+ 4
Silvermines	113	+ 2
Veal Reefs	113	+ 2

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NORTH AMERICAN AND INTERNATIONAL FUND

OVERSEAS NEWS

UANC decides on Sunday on Salisbury pact pull-out

BY TONY HAWKINS

SALISBURY, May 12

BISHOP MUGOREWA'S United African National Council will decide at an emergency meeting of its national executive committee on Sunday whether or not to pull out of Salisbury's transitional Government.

Political observers here believe the issue to be finely balanced with grass roots supporters of the Bishop strongly favouring a withdrawal over the Hove affair and also over the failure of the transitional Government to make headway in securing ceasefire and removing racial discrimination.

But senior political officials are more cautious, arguing that if he quits the Bishop runs the risk of ending up in political isolation.

There is even speculation that a UANC withdrawal could encourage Mr. Nkomo to return to Salisbury on his own terms.

Mr. Ian Smith in a TV interview today expressed pessimism about the ceasefire initiative

saying that he did not see it succeeding without the participation of Mr. Nkomo and Mr. Mugabe.

This is the strongest statement to date that Mr. Smith has made on wanting Patriotic Front participation and coming at this juncture reflects the Prime Minister's growing irritation with the Bishop's inability to make up his mind and stick to it.

Given the Byzantine nature of nationalist politics in Rhodesia, it would be foolhardy to even guess at the outcome of Sunday's meeting. However, it is being suggested here that the Bishop will withdraw and conduct talks with Mr. Robert Mugabe—leader of the external wing of Zanu and co-leader with Mr. Nkomo of the Patriotic Front. At the same time, the Bishop's party would elect the planned December elections from outside the transitional Government and therefore not be tarnished with association with Mr. Smith and

the two other nationalist leaders. This is an attractive scenario for the Bishop who hates to have to make decisions and is philosophically better inclined to being an opposition politician than in Government.

The trouble is there are too many pitfalls. The obvious one is that any attempt to link up with Mr. Mugabe on the basis of a strictly Shona (the country's largest tribal group) party would be bound to induce a sharp reaction from Mr. Nkomo, who might decide that the Salisbury agreement is not so bad after all.

Quentin Peel adds from Johannesburg: The Joint Ministers of Finance in the Salisbury transitional Government, Mr. David Smith and Mr. Ernest Bule, held talks in Cape Town today with their South African counterparts, leading to speculation that they were discussing a secured South African aid for the Rhodesian economy.



Lt. Gen. Rafael Eitan

Remarks by army chief cause row in Israel

By David Lennon

TEL AVIV, May 12. THE political row which erupted over the new Chief of Staff's controversial declaration that Israel is indefensible without the occupied West Bank and Golan Heights, will spread to the cabinet on Sunday when it is raised by Professor Yigal Yadin, the deputy Prime Minister.

The opposition parties have accused the Chief of Staff, Lt. Gen. Rafael Eitan, of overstepping his bounds of authority by making a political statement. They have called for a parliamentary debate on the issue.

But Mr. Ezer Weizman, the Minister of Defence, rejected the accusation. Mr. Weizman said that the Chief of Staff was speaking only about the military aspect of the subject.

Lt. Gen. Eitan said in a special Independence Day TV interview last night that the army may not be able to defend Israel without the West Bank and Golan Heights. It also applies in conditions of peace, he said.

The future of occupied Sinai depends on the kind of agreement reached with Egyptians, but "there is still plenty to talk about," he said.

Jewish settlements in the occupied territories play a vital role in the defence of the country. Because the army is not large enough to hold all the borders, every new settlement contributes to Israel's security, Lt. Gen. Eitan said.

The basic aim of the Arabs remains the destruction of Israel, even there are some who are now trying to achieve it by non-military means, the Chief of Staff said. "Until they declare they no longer seek the liquidation of Israel, we must treat them as if they wish to destroy us," he said.

Lt. Gen. Eitan succeeded Lt. Gen. Mordechai Gur less than a month ago. He has been expected that the new Chief of Staff, who generally fights shy of the media, would be inclined to make political statements, but his voluble predecessor.

Turkey arms vote a blow to Carter

WASHINGTON, May 12

BY DAVID BELL

THE U.S. Senate Foreign Relations Committee vote not to repeal the embargo on U.S. arms supplies to Turkey is a setback for the Carter Administration, but not necessarily a fatal one. The Committee voted eight to four to continue the embargo which was imposed in 1975 after Turkey used U.S.-supplied weapons in its invasion of Cyprus. This vote followed one earlier in the House International Relations Committee which decided by one vote to end the embargo. Both Houses of Congress must vote to lift it before it can be withdrawn.

What happens now depends on a series of intricate parliamentary manoeuvres being considered by the Administration. One of these would enable the Administration to add the embargo repeal to the military aid Bill when it goes before the full Senate in the hope that the Senate would pass it. A second option will be to hope that the House upholds its international Relations Committee when it votes on the same Bill.

If it does, the House version of the Bill will have to be reconciled with a Senate version. If the Senate Bill does not include

the repeal of the embargo there will be room for a compromise at that stage.

All of this, of course, reckons without the angry reaction of the Turkish Government. Last night's vote was largely the result of some highly effective lobbying on behalf of the Greek cause by Paul Sarbanes. This lobby argues that until the Turks make more concessions over Cyprus there are no grounds for removing the embargo.

But the Administration argues that the embargo has in fact been counter-productive. Officials say that there are no signs that it has made any material difference to the Turkish position on Cyprus, or that it will. Meanwhile, they say the steady deterioration in Turkish-U.S. relations is weakening the southern flank of NATO which is already a cause for profound concern within the State and Defence Departments.

The embargo itself is not as all-embracing as it was originally meant to be and has been modified to permit Turkish arms purchases of up to \$175m a year. But the Turks have taken strong exception even to the existence of the embargo and the State Department fears that a definitive

of its territory by Turkish troops equipped with American arms and the violation of human rights—continues to exist."

At the same time, Mr. Nicos Rolandis, the Foreign Minister, summoned the West German ambassador, Dr. Gottfried Pagenster, and asked him to convey to Bonn the Cyprus Government's "concern" over statements by the German Chancellor, Herr Helmut Schmidt that West Germany would provide more arms to Turkey.

Reuter adds: Earlier this week, President Spyros Kyprianou said in speech that if the embargo were lifted not only would it have harmed Turkish intransigence, but it might be turned into aggressiveness.

In Athens, the Right-wing opposition Greek newspaper, Estin, today hailed as a victory for law and justice the Greek vote to retain the U.S. arms ban on Turkey.

It said the overwhelming vote had smashed President Carter's efforts to circumvent U.S. laws. The result of the vote is a triumphant victory for the political powers which defend the laws and respect justice," it said.

IATA backs Narita precautions

By Douglas Ramsey

TOKYO, May 12

THE INTERNATIONAL Air Transport Association (IATA) has given Japan's Narita airport a clean bill of health, according to Mr. Knut Hammarskjöld, IATA secretary-general.

Speaking to the Press at the end of a "thorough" investigation of new security arrangements at Narita, Mr. Hammarskjöld said the airport's operations were safe and that the airport's premises of anyone (besides staff) not carrying an airline ticket.

The IATA has decried the use of 12,000 riot policemen in and around the airport, as well as a ban on entry into the airport's premises of anyone (besides staff) not carrying an airline ticket.

However, radicals living on farms on the airport perimeter have sworn to disrupt the airport's operation as they did before the scheduled March 30 opening.

According to the IATA secretary-general, elaborate measures have been taken since then to guarantee Narita's safety. Mr. Hammarskjöld said the IATA's Bill in Japan's Diet today aimed at "extending" the exercise of police powers.

The secretary-general was reluctant to discuss testimony given in the Japanese Diet recently by Japanese pilots who surveyed the airport, some of whom fear there may be a rise in the number of near-miss incidents because of the proximity of an air force base just north of Narita.

South Africa may tighten trial rules

BY QUENTIN PEEL

JOHANNESBURG, May 12

MR. JIMMY KRUGER, the South African Minister of Police and Justice, hinted today that curbs might be introduced to prevent foreign money being used to finance legal costs in political trials, and to prevent liberal lawyers from appearing frequently in such cases.

Such practices, he said, were undermining South Africa's legal system. Abolition of the court system and legal procedures had become so serious they could no longer be ignored.

Speaking in Parliament, Mr. Kruger revealed that 66 cases involving terrorism were currently

being heard in court. Last year, there had been 31 cases of sabotage, in which six people had died and 41 had been injured.

He said 91 "trained terrorists" had been arrested and another 594 "untrained terrorists." There were 168 people being held under the indefinite detention section of the Terrorism Act.

He said he could not be expected to listen to "essays on human rights" while bombs were exploding in South African cities.

Mr. Kruger said ways had to be found to prevent practices which undermined the legal

system, such as delaying tactics in security cases, demonstrations in and near courts, the intimidation of witnesses, the "frequent appearance" of certain lawyers in security proceedings and the "enormous amounts of money" available to defendants in these cases.

Referring to legal aid, he said this should only be available to people with "good cases."

"I don't wish to see legal aid as it exists in other countries where it is available to everyone," he said. "We are not a Socialist state. But if you have a good case, then you must be helped."

Lt. Gen. Eitan said in a special Independence Day TV interview last night that the army may not be able to defend Israel without the West Bank and Golan Heights. It also applies in conditions of peace, he said.

The future of occupied Sinai depends on the kind of agreement reached with Egyptians, but "there is still plenty to talk about," he said.

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The basic aim of the Arabs remains the destruction of Israel, even there are some who are now trying to achieve it by non-military means, the Chief of Staff said. "Until they declare they no longer seek the liquidation of Israel, we must treat them as if they wish to destroy us," he said.

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Cut in U.S. budget deficit sought

BY JOHN WYLES

HOT SPRINGS, Virginia, May 12

LEADERS OF some of America's largest U.S. multinational corporations are pressing President Carter to cut the projected \$150bn. Federal Government budget deficit to help the battle to reduce inflation.

This emerged last night at the start of the spring meeting here of the Business Council, whose members are the chairman and presidents of more than 100 top U.S. corporations.

Their spokesmen, principally Mr. Irving Shapiro, chairman of DuPont, and Mr. Reg Jones, chairman of General Electric,

were nevertheless firm in their praise of Mr. Carter's overall economic programme.

Their remarks contrasted with those of the American Federation of Labour-Congress of Industrial Organisations which offered only qualified support on Wednesday and refused to promise to restrain wage bargaining as the President had hoped.

The businessmen have hoped the Government would reduce the projected budget deficit for the fiscal year starting this October.

This demand for action on the deficit is in line with a similar call issued yesterday by Mr. G. William Miller, chairman of the Federal Reserve Board.

In his "law-bone" sessions with the Administration, it appears that business will be looking for something in return for its own concessions.

Mr. Jones, who is one of the Council's leading political strategists, made no secret of the fact last night that companies might be able to negotiate changes in the regulatory burden on business in exchange for price restraints.

The Council is taking a more optimistic view of the U.S. economy than most. It released last night a report from its economic consultants which saw a 4 to 4.4 per cent. real growth rate in 1978, a real increase in capital spending of up to 6 per cent. and a consumer price increase of 6.4 per cent. This year (the Administration says the underlying rate of inflation is closer to 7 per cent.).

The economic report sees real economic growth next year of 3.6 per cent. and Mr. Shapiro said last night that this could probably be achieved without the \$25bn. tax cut which the President is proposing.

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'Interference' by embassy

BY JUREK MARTIN

WASHINGTON, May 12

THE SOUTH AFRICAN Embassy here has come under suspicion of attempting to interfere in the reelection campaign of Senator Dick Clark from Iowa, the leading African-American candidate for Illinois and a persistent critic of South Africa.

The State Department has asked the embassy to explain comments printed in Iowa newspapers and attributed to its Economic Minister appearing to suggest that Senator Clark would be better off concentrating on the affairs of Iowa than Africa. The official is also reported to have charged that the Senator wanted U.S. companies to pull out of South Africa.

Representatives of foreign governments are specifically prohibited from passing public comment on internal electoral matters. Earlier this year, the South African Embassy was accused of infiltrating a closed-door meeting of the House Sub-

committee on Africa and subsequently arranging for dissemination of confidential discussions.

Senator Clark's office said this morning there was some mystery over the precise circumstances of the official's visit to Iowa. He was understood to have been promoting American-South African trade, but had apparently been invited by a Republican state senator and, as far as could be ascertained, did not engage in talks on trade.

Reuter adds from Cape Town: South Africa has summoned Mr. Harvey Nelson, the U.S. Charge d'Affaires, to discuss American accusations that a South African diplomat may have interfered in U.S. domestic politics. Mr. Pike Botha, the Foreign Minister, said here.

The Foreign Minister, in turn, accused Senator Clark of interfering in South Africa's domestic policies.

New York attracts foreign banks

BY STEWART FLEMING

NEW YORK, May 12

NATIONAL WESTMINSTER'S move to acquire 75 per cent. of the National Bank of North America underlines the enthusiasm of foreign banks to secure a significant stake in the New York banking market.

It follows last month's announcement that Hongkong and Shanghai Bank was seeking to acquire a 51 per cent. interest in Marine Midland.

There are suggestions that the Hongkong Bank's move gave added impetus to NatWest to accelerate its negotiations.

Some indication of the scope for foreign banking activity in New York is given by the fact that the assets of foreign branches and agencies in the

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Local poll test for Italian Administration

BY DOMINICK J. COYLE

ROME, May 12

THE RESULTS of local elections in Italy this week-end are likely to be analysed carefully by the political parties as a barometer of public opinion on two controversial issues—the Christian Democrats' acceptance of the Communists in an informal governing alliance, and the Administration's handling of the Moro affair.

There are also fears in the Christian Democrat and Communist ranks that a shift of electoral opinion to the centre-right, possibly from what might

be termed a "Moro sympathy vote," could undermine the present delicate Parliamentary majority.

Four million voters, or roughly one in 10 of the national total, are entitled to cast their ballots in geographically wide-ranging local elections. These elections have already been postponed by all-party agreement from the end of last year. But the main parties considered it impossible to agree on a further postponement, despite the assassination of Sig. Aldo Moro.

The right-of-centre elements within the Christian Democrats will seek to exploit any increased Christian Democrat vote this weekend, especially if it is at the main expense of the Communists. They would use such an outcome to pressurise the party leadership, to break with the Communists.

Equally, any setback to the Communists would be seen by the pro-Moscow remnants of the party as the price to be paid for the party's collaboration "with capitalist forces."

At the heart of any debate about Anwar Sadat, reports Roger Matthews, is his 'open door' economic policy



HOME NEWS

Upper Docks will lose £7m. says PLA

By PAUL TAYLOR, INDUSTRIAL STAFF

THE PORT of London Authority, anxious to justify its position that the Upper Docks have no commercial future, yesterday published accounts which forecast a £7.1m. loss for that section this year.

Mr. John Cuckney, chairman, promised separate accounts for the Upper Docks after suggestions by MPs that the authority had exaggerated losses.

In the recently published information paper "Your Port of London—The Challenge for the Future," the authority made it clear that only a large injection of Government funds, coupled with an agreement from the workforce to close down or drastically reduce the Upper Docks complex in London's East End, could save the port.

The financial results reveal that over the past three years the losses on Upper Docks, comprising the Royals, India and Millwall, have dropped from £5.5m. in 1975 to £4.1m. in 1977. These figures exclude any allocation of costs for general support services and central administration, but estimates predict a 73 per cent. increase in losses this year over 1977.

Total income from Upper

Government rejects advice on development overseas

By Lorne Barling

MOST RECOMMENDATIONS made to the Government by a select committee on overseas development have been rejected or shelved, a White Paper published today discloses.

The proposals, mainly concerning the relationship between the ministerial departments and British activities in foreign countries.

"Inevitably, changes in the global pattern of industrialisation will involve a degree of industrial adjustment in the U.K. The Government accepts the need for adjustment but this must be done in a socially acceptable way," says the White Paper.

In response to a recommendation that strong action be taken against middle-income countries which pursue illiberal trade policies, the report admits that little has been achieved to solve this problem and pins any hope of improvement on the multilateral trade talks in Geneva.

On the need for diplomatic representatives with experience in industry, trade and international finance, the report says that this is being improved by greater interchange of personnel.

A suggestion that exchange controls should be eased is discouraged on the grounds that it would be unwise to finance longer-term investment abroad from inflows into sterling in the form of deposits which might be withdrawn at short notice.

The select committee is provided by the Foreign and Commonwealth Office, the Department of Trade and the Ministry of Overseas Development.

Reinsurance group makes 300-page defence

By JOHN MOORE

MR. FREDERICK SASSE, head underwriter of the suspended Lloyd's syndicate number 762, has abandoned a summary judgment action against the Brazilian reinsurance group, Instituto de Resseguros do Brasil.

His lawyers decided not to proceed with the action after the Brazilians produced an affidavit of defence running to some 300 pages.

However, Mr. Sasse is still proceeding with his claim against the Brazilian group, who have refused to pay up on 1,300 reinsurance contracts on properties in America, mainly in the poorer parts of New York. The claims against the group now stand at around \$13m.

The summary judgment move was designed to discover why

the group disputed the claims. It is understood that the IRB affidavit refers to the conduct of the insurance business by Austen and Balcon (agents of IRB), Brentnall Beard (the Lloyd's broker which placed the business at Lloyd's), Intraglobal Reinsurance Facilities (another agent), and Den-Har Underwriters (the Sasse syndicate's Florida underwriting agents).

At yesterday's 45-minute hearing in the commercial court, Mr. Justice Donaldson, in chambers, said that it would be premature to fix a trial date, as IRB has insisted that full details of the contracts must be provided by Mr. Sasse's lawyers. These must be produced within 14 days, after which IRB has 28 days to prepare its defence.

Electricity loan to be repaid early

THE ELECTRICITY Council said yesterday it will repay this year a DM200m. (£52m.) Euro credit taken out in 1969 with redemption due 1975 to 1984. This is part of the Government's policy of repaying its repayment of overseas debt.

Dresdner Bank were lead managers, and discussions are taking place on the date for repayment of the 7 1/2 per cent. fixed interest credit.

The decision will reduce by \$60m. the nearly \$20bn. of foreign debt the U.K. has maturing in the peak repayment years of 1979 to 1984.

Spilt oil has not hit holiday bookings

By PAUL TAYLOR, INDUSTRIAL STAFF

WHEN THE wrecked Eleni V tanker first began to leak oil on East Anglia's beaches fears were expressed about the effects of pollution on the tourist industry. Now, hoteliers and council officials say the incident has had little or no effect on bookings.

During the past week the wrecked Greek tanker has shed about 2,000 tons of heavy fuel oil into the North Sea within sight of the holiday beaches—and some of this oil has found its way ashore.

However, hoteliers in Great

Yarmouth and Lowestoft report few inquiries and no cancellations as a result of the pollution. Indeed, there are indications that the publicity surrounding the incident actually may have boosted bank holiday bookings.

Council officials in Great Yarmouth, which generates \$40m. in holiday money from 2m. tourists a year, report a single-figure number of inquiries about the effects of the oil on the city's beaches, which include the famous Golden Mile.

Much of the beach pollution

has been cleared by the authority and, barring another major oil spill, the beaches should be clear by the middle of next week.

British Rail, which runs Golden Rail holidays to the resort, report 300 bank holiday bookings, up by about 15 per cent. on last year. It has had two inquiries about the pollution and in both cases the customer was satisfied with reassurances.

In Lowestoft, further down the coast and only three miles from where the tanker is anchored, the picture is simi-

lar. Mr. Brian Solomon, recreation and amenities officer, said he had received several holiday inquiries from people who have been made aware of the resort's attractions by the publicity.

Some of the worst pollution has hit Lowestoft's north beach and while clean-up operations have been focused on the more popular south beach the local authority is fairly confident both beaches will be clear in time for the holiday rush.

The Lowestoft fishing industry seems to have been little affected by the pollution. The

mid-distance trawlers fish off Norway so have not been affected at all and, while the inshore fishermen have had to dodge the odd oil slick, dock officials say they seem more concerned about the effects on fish of the anti-pollution detergents than the oil itself.

Work on the wreck was delayed yesterday by poor weather and the second shackle, needed before the bow-section can be towed out to sea, still has not been fixed. Efforts centre around attaching more air lines to the hull to maintain buoyancy.

Lib-Lab pact hit further over tax

By RICHARD EVANS, LOBBY EDITOR

SIGNS OF AN increasingly bitter atmosphere between the Government and Liberal MPs, over this week's Finance Bill, defused yesterday with an attack from Mr. John Pardoe on Mr. Denis Healey, Chancellor of the Exchequer.

The Liberal economic spokesman stressed that the Government had no one but the Chancellor to blame for the defeats because of his flat refusal to negotiate an accepted agreement over income tax.

"Like some fiscal Pope," he believed that he and he alone was divinely appointed to decide the level of income tax. Instead of sensible and serious discussion, he offered what he seemed to think was the political equivalent of excommunication—threats of a general election," Mr. Pardoe declared.

The attack, which has the full endorsement of Mr. David Steel, party leader, leaves Lib-Lab relations at their lowest ebb since the pact began over a year ago. The Finance Bill reverses made possible by the support of the Liberals and other minority parties for Conservative amendments, makes more probable the formal end of the pact in July, so that the Liberals can try to develop an independent political identity before a possible autumn election.

Liberal leaders intend to accuse Ministers of failing to enter into the full spirit of the Lib-Lab pact by refusing discussion on income tax concessions, and by then threatening a General Election.

Mr. Pardoe, speaking in his North Cornwall constituency, argued that it would have been perfectly possible for Mr. Healey

to have negotiated an acceptable agreement with the 13 Liberal MPs, and the Government would have saved a great deal of embarrassment.

"The incident served to prove only that the Chancellor was more concerned to nurture his reputation than to arrive at any agreement."

"Yet he knew perfectly well what the consequences would be. This week both he and his Government have suffered those consequences. Where now is the Healey threat of a General Election?" Mr. Pardoe asked.

Following the revised money supply figures the Conservatives yesterday called on the Chancellor to stop dithering and announce public expenditure cuts or increases in indirect tax necessary to make good the reduction in income-tax agreed by Parliament this week.

The demand came from Mr. Nigel Lawson, and Opposition Treasury spokesman, who declared that if a sharp increase in inflation was to be averted the Government must take far more effective steps to bring the money supply under control.

He argued that the latest revised figures made it clear that the Government's target increase in the money supply of 9 to 13 per cent. during 1977-78 had been exceeded by a dangerously large margin.

For the most recent three months for which figures were available—the period to March this year—sterling M3 had been growing at an annual rate of 24 per cent., roughly twice the target rate and substantially greater than the comparable rate when the present Government took office.

Howe renews call for cut in Government spending

By RAY PERMAN, SCOTTISH CORRESPONDENT

SIR GEOFFREY HOWE, the Shadow Chancellor, pressed home his attack on the Government's Budget strategy yesterday, demanding that tax cuts made by Parliament should be met by cuts in public spending.

Speaking at the Scottish Conservative Party conference in Perth, he strongly criticised Mr. Callaghan for misrepresenting the effect that the Government's defeats this week would have on the economy.

"He knows in his heart that cutting tax was the right thing to do. A man who is prepared so swiftly, as we approach an election, to indulge in such shameless, irresponsible hypocrisy is unfitted to be Prime Minister of this country."

Sir Geoffrey said that the Conservative front bench had made it absolutely clear to the Government that tax cuts had to be matched by corresponding reductions in the planned increase in public spending.

"They propose this year to increase public expenditure by no less than £4,000m.—a figure eight times larger than the tax reductions we have imposed this week. So there is plenty of room to cut."

"The real irresponsibility would be for Mr. Healey to neglect his duty to the nation by failing to prune his spending programme so as to take account of the will of Parliament expressed this week."

The conference endorsed a call for a reform of the tax system by a future Tory Government. Sir Geoffrey added that the changes in tax rates made so far were only a taste of the transforma-

tion which his party planned. The Shadow Chancellor dismissed the findings of an opinion poll published in the Glasgow Herald which put the Labour Party 23 per cent. ahead in Scotland, but the results have clearly worried Conservative leaders in Scotland.

The poll gave Labour 47 per cent. support against 24 per cent. each for the Tories and the Scottish National Party.

Although the dramatic leap in support for Labour, which had

only a 9 per cent. lead over the Tories last month, could have been distorted by the publicity given to recent successes, the poor showing of the Conservatives must throw doubt on its ability to win back seats at the next General Election.

By a large majority the conference approved a motion calling for a vigorous campaign against the Government's devolution proposals in the Scottish referendum.

More support Welsh assembly—BBC poll

By ROBIN REEVES, WELSH CORRESPONDENT

THE WIDESPREAD view that there is little or no support for a devolved assembly in Wales is 18 per cent. said they would be confounded in a BBC-commissioned opinion poll, published last night in Cardiff.

The poll shows an even split between those in favour of a Welsh assembly and those against, a marked improvement for the pro-devolution lobby on a year ago when a similar poll showed only one-third of Welsh voters in favour of the Government's plans.

Of 1,000 people questioned at 40 sampling points all over Wales, 67 per cent. said they would definitely vote in the proposed referendum. Of those who intended to vote, 41 per cent. said they would support the

idea of a Welsh assembly, 41 per cent. said they would oppose it. More than a devolved assembly in Wales is 18 per cent. said they would be confounded in a BBC-commissioned opinion poll, published last night in Cardiff.

The poll still indicates support for the assembly falling well short of the 40 per cent. of a voters threshold set for the Wales Bill to be enacted automatically. But, in answer to further questions, the results suggested that only 39 per cent. of the people of Wales want to leave the present system of Government untouched. About one-third want the executive assembly being proposed, 12 per cent. want a more powerful law-making assembly, and 15.5 per cent. want Wales to have complete freedom to run its affairs.

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HOME NEWS

£2bn. five-year plan for British Airways

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

BRITISH AIRWAYS expects to spend nearly £2bn. over the next five years, of which about 80 per cent, or £1.6bn., will be for aircraft and the rest for plant, ground equipment, buildings and other items.

Mr. Ross Stainton, deputy chairman and chief executive, tells staff in the airline's house journal, *British Airways News*, that for the current year, spending of about £258m. will include £175m. on new aircraft, including three new Boeing 747s (two of which have recently been delivered) which will account for £54m. of that sum. The airline would have to borrow about 40 per cent of the £2bn., or about £800m.

Mr. Stainton said: "We have set to expand at a formidable rate between now and the mid-1980s. To help produce that leap in productivity, we must be ready to buy ourselves the tools to do it with."

The airline has earmarked over £125m. for new aircraft and supporting equipment for the period from now to the spring of 1981.

This figure covers the proposed purchase of 18 of Boeing 737 aircraft, still subject to Government approval, but Mr. Stainton makes no comment on this, or the airline's interest in the new short-haul Boeing 757 for the mid-

1980s and beyond. But he does stress that buying a new short-haul fleet for the 1980s represents "the biggest single investment decision ahead of us."

Apart from this, he says that in the current financial year alone, the airline expects to spend more than £14m. on new plant and facilities for ground operations in London, of which about £8m. will go on new motor vehicles, ramp and equipment and other items, including a new motor transport and ground equipment base on the north side of Heathrow.

Expanding of the engineering base for TriStars and other aircraft will cost £14m., with another £10m. likely.

"And so it goes on. Redeveloping the Gatwick helicopter base will cost us over £2.5m. in the next three years or so. This year and next, we expect to lay out

another £2m. on new computer terminals in the U.S. and Australia alone. And there are some very big items that I have not even mentioned."

"All this means that over the next five years or so, we are planning to invest the equivalent of about one-fifth of all the revenue we expect to earn in that time."

British Airways claims that its quality and reliability plan designed to improve the airline's image with its customers, is increasingly successful.

Mr. Gerry Draper, director of commercial operations, says that the percentage of complaints per thousand passengers, 2.18 per cent, in March was the lowest since July last year "and the number of appreciative comments in March this year was more than double those of March 1977."

£62m. profit target

BRITISH AEROSPACE is required to make a profit of £62m. under its financial duties announced yesterday by Mr. Gerald Kaufman, Industry Minister of State.

In a Commons written reply, Mr. Kaufman said the Government had notified British Aerospace that it had a duty in its

current accounting year, which ends on December 31, 1978, to seek a return of 20 per cent on average net assets, equivalent to a profit before interest and tax of £62m.

Financial duties covering a longer period would be determined when the corporation's plans were more fully developed.

Decision deferred on Wheal Jane

A DECISION on whether the Wheal Jane tin mine in Cornwall can be kept in operation is unlikely to be made before the end of next week.

The owner, Consolidated Gold Fields, has given the Government an assurance that no equipment which is critical to the mine's continued operation will be removed.

Confirmation that the Government is ready to play a substantial role in ensuring a future for the Wheal Jane mine—whose closure would deprive 400 workers of their jobs and significantly worsen the area's serious unemployment

—was given in the Commons yesterday by Mr. Alan Williams, Minister of State for Industry.

However, in replying to a debate initiated by Mr. David Penhaligon, Liberal MP for Farnham, he stressed that for the mine to qualify for assistance under the Industry Act the Government would have to be satisfied that it had a viable future.

Confidential discussions between a number of companies were in progress and while he did not wish to hold out false hopes, there were some grounds for optimism.

Lloyds settles claims

A CLAIM for £660,000 against safety deposit vaults. Lloyds Bank by safety deposit vault holders who lost valuables when the bank's Baker Street branch was raided by two men, settled out of court. Lloyds said yesterday.

There were 130 claims lodged with Lloyds. The robbery happened in 1971 when robbers tunneled 40 feet into the bank's vaults.

More and bigger takeovers this year

By James Bartholomew

TAKEOVERS and mergers continued to increase in number and size during the first quarter of 1978, according to Department of Industry figures published in *Trade and Industry*.

A total of 138 industrial and commercial companies were acquired for £231m., about a tenth up on the previous quarter in both number and value. Comparisons with the equivalent period last year show a rise of 38 per cent in the number and 77 per cent in the value.

The disproportionately heavy rise in the value of acquisitions reflects the fact that big takeovers were growing in number faster than small ones. There were ten acquisitions worth between £5m. and £25m. in the first three months of 1978, against four in the same period of 1977.

Another trend which continued in the first quarter was the diminishing use of cash as consideration. Cash accounted for 60.2 per cent of the consideration against an average of 62.6 per cent in 1977.

This time it was not because shares constituted a larger slice but because fixed-interest securities, neglected since 1975, perked up.

They accounted for 3 per cent of the consideration against an average 1 per cent last year. The largest acquisition of the first quarter, and the only one worth more than £25m., was Coral Leisure Group's takeover of Pottins for a consideration provisionally estimated at £33m.

Fall in number of visitors to Britain

By Christopher Dunn

THE NUMBERS of foreign visitors to the U.K. fell slightly in January compared with the same month last year, according to Government statistics published yesterday.

The total, at 433,000, was 2 per cent down on 1977, and follows an 8 per cent drop in foreign visitors in December.

The British Tourist Authority said yesterday that January had started poorly and it still expected a sharp increase in foreign visitors in 1978.

Which figures exclude arrivals from the Commonwealth, showed that Common Market visitors fell by 5 per cent, to 212,000.

Visitors from the rest of Europe declined by 9 per cent, but U.S. visitors increased by the same percentage, rising to 68,000.

Japanese visitors showed a decrease for the first time in 10 months.

Medical plan holds its subs rate

By Eric Short

PRIVATE PATIENTS Plan, the second largest medical insurance agency in the U.K. is keeping its subscription rates unchanged over the 12 months and plans no change until 1980 in spite of the recent rise in pay band charges in the National Health Service.

Mr. John Phillips, chairman, made the announcement when he launched the company's new group medical insurance plan—the New Company Masterplan. He said there had been a big increase in group medical insurance schemes with a record number being established so far this year.

The new plan, under which the employer pays all the contributions, is designed to cover all companies from five employees upward.

Plan to pay grants to sixth formers

BY MICHAEL DIXON, EDUCATION CORRESPONDENT

CHILDREN AGED 16 are to be made eligible for student grants

as of right under a new plan disclosed by Mrs. Shirley Williams, Secretary for Education and Science, at the National Association of Head Teachers' conference in London yesterday.

The grants, which will be means-tested, are intended to attract about 50,000 more 16- to 18-year-olds to stay in full-time education.

At present roughly 550,000 in this age group are studying in school sixth forms or on full-time further education courses.

Mrs. Williams would not say how much money the Government had earmarked for the scheme. She admitted, though, that it would be less than the £20m.-£50m. needed to provide an average grant equal to the supplementary benefit of £11.50 a week available to unemployed youngsters, let alone the £1bn. needed to compete with the £180m. weekly allowance paid by the Manpower Services Commission's Youth Opportunities Programme.

The Minister pointed out, however, that parents of 16- to 18-year-olds in full-time education would qualify for a child

benefit of £4 weekly from next April.

Details of the new scheme are to be decided in consultation with the local authorities. Since legislation will be required, it will not be introduced until autumn 1979 at the earliest.

Mrs. Williams suggested that, subject to local authority views, the new grants might be scaled to encourage children to take courses related to work skills—perhaps in conjunction with the plan to start studies for engineering craft apprenticeships and City and Guilds qualifications in the schools.

Financial support is already available to poorly-off parents of 16- to 18-year-old students. In 1974-75, however, (the latest available statistics), these educational maintenance payments provided an average of only £2.50 a week for 21 per cent of sixth formers in England and Wales and £2.80 a week for 7 per cent of college students in the age group.

Under the new scheme, the grants may be paid directly to youngsters instead of to their parents. It is thought that direct payment could act as an extra incentive to staying in full-time education.

Tory MPs block estate agents Bill

BY JOHN HUNT, PARLIAMENTARY CORRESPONDENT

THE GOVERNMENT is to be asked to provide time in the Commons to ensure the passage of a private member's Bill which seeks to protect house buyers from acts of dishonesty by estate agents.

Amid angry scenes in the House yesterday the Estate Agents Bill was blocked by a small number of Conservative MPs who objected that it gave the Director General of Fair Trading sweeping powers over the profession.

The Bill now has no hope of getting through in the time set aside for private members' legislation. However, its sponsor Mr. Bryan Davies (Lab. Enfield North) said: "I haven't lost hope despite this blow."

He said many MPs from all parties supported the measure. It also had the backing of the National Association of Estate Agents, the Royal Institute of Chartered Surveyors and the Incorporated Society of Valuers and Auctioneers, who between them represent 75 per cent of estate agents.

Mr. Cross, Minister of State for Prices and Consumer Protection, warned the critics of the Bill yesterday that house

Leyland's Speke deal accepted by unions

By Alan Pike, Labour Correspondent

NATIONAL UNION leaders have decided that they can do nothing more to improve the redundancy terms at Leyland's Speke plant, which will close in a fortnight.

Members of the Confederation of Shipbuilding and Engineering Unions' executive accepted the closure at a meeting in Worthing and did their best to comply with Leyland's condition that it must take place smoothly.

Affiliated unions are being asked not to hamper the company's proposal to transfer production of the Triumph TR7 from Speke to Canvey Island.

Yesterday's confederation decision was inevitable after last week's vote to accept closure of the plant by the 3,000 Speke workers who will lose their jobs.

However, many national union leaders of the confederation executive have never relished a fight to save Speke and this led to accusations at the Amalgamated Union of Engineering Workers' conference earlier this week that they had failed in their duty.

Confederation leaders, alarmed at the scale of redundancy unemployment, are to seek an urgent meeting with the Prime Minister at which they will ask for emergency measures for the area.

New move towards engineering merger

THE AMALGAMATED Union of Engineering Workers executive yesterday agreed to send to the Electrical and Plumbing Trades Union new proposals for a possible merger.

AUEW leaders will tell the EPTU that they must retain their existing district structure but are not opposed to the concept of industrial committees which the electricians are proposing.

The most difficult issue remains the selection of officials—all AUEW officials are subject to periodic re-election, and this principle is cherished by members of the union. The AUEW is prepared to accept a transitional period to try to marry the systems of the two unions.

Merger talks, which if successful would create an engineering union two-million strong, began last year. Mr. Frank Chapple, EPTU general secretary, said this week that the response of the AUEW had been positive.

Pension funds must change policy—Murray

By Eric Short

THE PROTECTION of the long-term interests of pension scheme members demanded that pension funds accept the need for a new set of investment criteria, Mr. Len Murray said yesterday at the annual conference of the National Association of Pension Funds in Birmingham.

Mr. Murray, general secretary of the TUC, said institutions should provide funds to companies that could give an adequate rate of return in the long run.

They should support companies which invested in the U.K. rather than abroad. They should back

projects which helped to maximise the growth rate of the U.K. economy and, therefore, help to restore full employment.

He did not see this as representing a conflict of duties of the institutions to meet their liability. The only real reason of security for occupational pensions was a healthy economy as a whole.

There was a need for legislation to ensure member participation of at least 50 per cent of pension scheme trustees. Boards through recognised independent trade unions. He also called for early retirement for everyone from aged 60.

Earlier, Sir Hugh Wommer, chairman and managing director of Claridge's, said sacking a man was a matter not to be taken lightly.

He said the Latin temperament predominated at the Claridge's kitchens. Very often it was a case of the better the chef, the harder they were to deal with.

Stewards expect closure of Shelton steelworks

BY PAULINE CLARK, LABOUR STAFF

THE BRITISH Steel Corporation's iron and steel-making plant at Shelton, Stoke-on-Trent—where there has been seven years of production and their jobs—seems set to close after the holiday fortnight at the end of June.

Although the corporation has yet to make a definitive statement on the plant's future, Shelton's shop stewards were in no doubt yesterday after a meeting with local management representatives, that June 23 would mark the end of the steelworks.

According to BSC, they were told it was felt not practical to continue loading orders at Shelton beyond the holiday and that a guaranteed working week probably would have to be introduced after that date.

The expected closure comes amid signs that the corporation soon could face its first serious confrontation with trade union leaders in the industry over closure plans for what it describes as "high cost" plants in the West Midlands.

Mr. Tommy Timmins, a Shelton action committee leader and official in the Iron and Steel Trades Confederation, said yesterday: "We feel terrible about the news although we were not entirely surprised."

He said union representatives would refuse to take part in talks with the management on any plans for closure.

The Shelton committee is backed by the TUC steel industry committee which, at a meeting with Steel Corporation's management, rejected proposals for closing BSC's past mistakes in spite of Shelton and the Bilston carbon steel-making plant, also in the West Midlands, and said it would end any "throw in the towel" talks on the problem.

Healey seeks more flexible pay formula

GOVERNMENT and union officials have devised the best way of introducing more flexibility into pay negotiations while keeping settlements at a level said yesterday.

In a speech to the Electrical and Plumbing Trades Union at Scarborough, Mr. Healey mentioned neither specific earnings targets nor any of the mechanisms that might be considered by the Government in trying to reach general agreement with the TUC on the new pay round from August.

He stressed more than once, however, that anything which again lifted the inflation rate above 3 per cent—which the Government has as its target over the next six months—would have an immediate effect on unemployment.

Present unemployment was "intolerably high" and reducing it was the Government's first priority, Mr. Healey said.

Earlier, Mr. Frank Chapple, the electricians' union's general secretary, warned Mr. Healey of the difficulties in any government attempt to offer a slightly pay round working week to return for total union acceptance of a single-figure earnings target.

During a visit to Belfast yesterday he declared: "There will be no agreed Phase Four. There will be no agreed norm. There will be no structured incomes policy."

In the last three years the trade union movement had made great sacrifices by acting responsibly on wages during the economic depression. "However, our negotiators now need more freedom to solve the problems created in that period."

Mr. Healey said the train drivers' union, ASLEF, today rejected a phase four pay policy "in any form whatever" at its conference in Dunblane, Scotland. Its negotiators were instructed to lodge claims as soon as possible with the Rail and London Transport for percentage increases in shorter working week to return to the level established by the Tribunal award of 1974.

Civil Service union votes against any Stage Four

BY PHILIP BASSETT, LABOUR STAFF, IN BRIGHTON

THE GOVERNMENT'S chances of securing its success this year in securing a deal for civil servants within Government guidelines were lessened yesterday by the strong opposition from Britain's largest civil service union to any form of fourth stage of incomes policy.

The Stage Three pay round deal for nearly 600,000 civil servants was finally settled yesterday, when the Civil Service Department agreed to extend the settlement, as usual, to staff in the "controlled" tripartite bodies including the Metropolitan Police, the Atomic Energy Authority, the Social Science Research Council and the Equal Opportunities Commission.

The two largest civil service unions, the Civil and Public Services Association and the Society of Civil and Public Servants, had refused to accept the deal if it were not automatically extended to the fringe bodies, whose pay scales are related to those in the service. The society had threatened industrial action on the issue.

Confrontation over pay in the next wage round, already likely because of the resentment over the terms of the Stage Three settlement, is almost inevitable now after the decisive Leftward swing in the CPSA executive earlier this week.

The association which has 234,000 members mostly in the clerical grade, voted overwhelmingly yesterday at the close of its conference in Brighton against any Stage Four of incomes policy.

Mr. Peter Colman, newly-elected general secretary, said that cash limits were "a fall-back incomes policy." The association must challenge the new orthodoxy on cash limits which was pushing the public sector into retreat.

Conference also carried a motion supporting a campaign against the introduction of fortification in the night signing and payment of social security benefits. This was attacked as a way of achieving a wage rise in the Department of Employment, Health and Social Security.

Mr. Alistair Graham, deputy general secretary, said that cash limits were "a fall-back incomes policy." The association must challenge the new orthodoxy on cash limits which was pushing the public sector into retreat.

Seamen seek 'unhealthy cargo' compensation

SHIPOWNERS will be pressed for compensation for seamen suffering injury or death working with "unhealthy" cargoes in a change of policy agreed yesterday by the National Union of Seamen, in Aberdeen.

Previously the union had sought redress through the courts for members killed or injured through alleged liability on the part of employers.

But yesterday, against the advice of national officials, delegates passed an amendment to the union's policy document insisting on compensation geared to the cost of living for seamen becoming ill from serving on ships carrying "dirty or unhealthy cargoes."

They also decided that the dependents of crewmen who died should be compensated in a similar fashion.

Delegates expressed concern about the growing number of chemical cargoes carried, the unknown effects of the chemicals on crewmen and the fact that injury or disability may not occur until years after contact with the cargoes.

Mr. Ron Spruhan, the union's national secretary, said ship-owners would never agree to the July 1976 house agreement.

Express Newspapers

ON THURSDAY we stated that Express Newspapers had signed an agreement last September under which all newly-joined journalists were required to be members of the NUJ and to remain in good standing thereafter.

In fact, the existing house agreement was signed early this year. The clause about union membership is not new; it was national secretary, said ship-owners would never agree to the July 1976 house agreement.

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THE WEEK IN THE MARKETS

Nerves hit the gilts

Nervousness over the money supply and interest rates took its toll on the gilt market. The sharp increase in bank's eligible liabilities in the month to mid-April compounded the fears on Tuesday sending gilts at the lower end of the market £1 lower while the FT Industrial Ordinary Index slumped nine points. Speculation on the likely jump in MLR continued to affect gilts and the Government Securities Index fell to the lowest level since last September, while the Tyne and Wear Corporation issue was 78 per cent, left with the underwriters. In the circumstances the modest 4 point rise in MLR left the market feeling somewhat relieved.

Plantation bids

Take-over activity in the plantations sector reached a climax this week with news of Harrison's and Crossfield's agreed share offer for Harrison's Malaysian Estates: the bid is currently worth £122m.

The management of HME is supplied by H and C, so the ready acceptance of terms worth only 10 per cent, more than the pre-bid price looks rather cosy. But the terms have been recommended by HME's independent adviser, Schroder Wagg, which points out that the HME share price has moved up very sharply of late. Schroder suggests that we should see the deal more in

the light of a merger than a bid. But the incentive for it is all in H and C's desire to consolidate control of its plantations empire. HME's only reward is the loss of its theoretical independence.

The merger has set the rest of the plantations sector alight, with much punting in Castlefield and London Sumatra, two

LONDON ONLOOKER

other H and C companies. Speculators are betting on further rationalisation in the industry both by H and C and by other groups. Terms for the merger of Jokat Tea and Longbourne, two companies from the Camellia Investments camp, were announced on Thursday.

Composites patchy

It was the U.K., rather than the U.S., on which attention was focused when the Commercial Union and Royal reported first quarter results this week. All is well in the U.S., with a trading cycle still moving upwards, and both groups reported underwriting profits. But in the U.K., this winter's severe weather caused a dramatic fall. The results for CU were cushioned by its extreme weather provisions—a

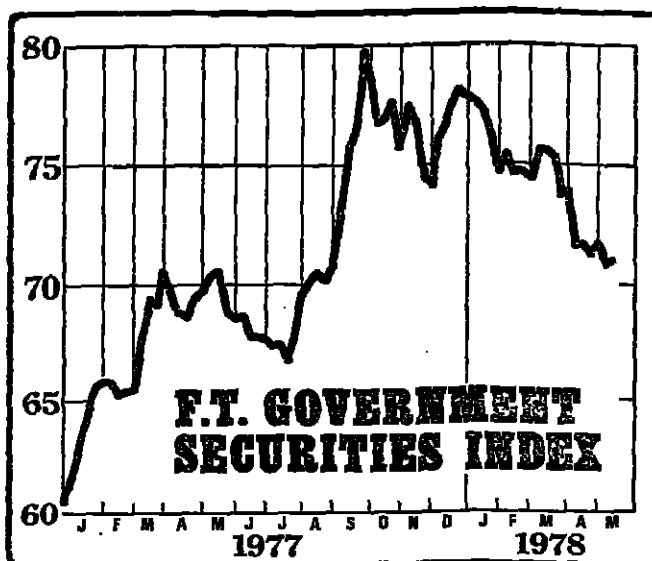
form of internal re-insurance—but Royal suffered £5m. of claims above those normally experienced from the floods on the east and south east coasts, snow-storms in Scotland and the south west, and high winds.

This U.K. loss more than cancelled out the U.S. improvement as far as Royal was concerned and profits were only slightly higher. CU, however, cut its underwriting losses by £8.9m. and its pre-tax profits moved ahead by £11.6m. Rate increases granted at the beginning of this year should help recovery in Holland during 1977—a problem territory for both groups.

Banks look up

For most of last year the banking sector was under a cloud. Base rates fell from 14.0 per cent to 8.0 per cent, and the stock market drew its own conclusions about bank profits. Once base rates got below 7 per cent, it looked as if the domestic clearing bank operations would only be just about breaking even.

However, the stock market has now woken up to the fact that the bankers have been painting too bleak a picture. Lower interest rates bite into profits, it is true, but not to the extent that some pessimists had been predicting. This week the National and Commercial bank-



ing group, which takes in the Royal Bank of Scotland and Williams and Glyn's, reported that its interim profits fell by only 15 per cent, despite a halving in its average base rate during the period. The recent bumper figures from Lloyds and Scottish and Mercantile Credit, two of Britain's biggest finance houses, showed that they, at least, have been having a bonanza because they lend mostly at fixed rates while their average cost of funds has fallen dramatically. With the latest rise in base rates boosting their profitability, the outlook for bank shares is not as gloomy as once feared.

Green Paper

Wednesday's Green Paper on mergers and monopolies has a long way to go before it results in any legislative changes. With the report group not due to complete its work before the turn of the year the changes may not even take place during the life of this Government.

In the meantime, Mr. Roy Hattersley has admitted that from now on mergers will begin to be judged on the new more critical attitudes expressed in the Green Paper.

Briefly, the main change is that the Government is to put top priority on preserving

competition in British industry—both because there is less competition in the U.K. than in most other countries, and because more than half of post-war mergers have not achieved the profitability expected of them.

So from now on the main criterion will be, not whether a merger is against the public interest, but whether it significantly reduces competition. Mergers based on mere financial expediency will be frowned on.

U.K. INDICES

Financial Times	May 12	May 5	April 28
Govt. Secs.	71.11	71.45	71.42
Fixed Interest	72.32	73.51	74.64
Indust. Ord.	478.9	474.4	462.5
Gold Mines	146.8	143.1	141.0
Dealings mld.	5.391	5.323	4.914
FT ACTUARIES			
Capital Gds.	212.02	208.99	202.70
Consumers (Durable)	196.90	194.72	187.45
Cons. (Non-Durable)	205.30	201.97	197.34
Ind. Group	210.07	207.56	201.32
500-Share	233.70	229.99	223.17
Financial Gp.	167.73	164.86	160.20
All-Share	215.84	212.49	206.56
Red. Debs.	57.74	58.44	58.54

Time for thought

WEST VIRGINIA, May 12.

"THERE WOULD NOT have been so many smiling faces here a month ago," observed the vice-president of a New York brokerage house this morning as he watched four well-known names on Wall Street sprinting nimbly around a tennis court.

Although there were fears earlier this week that the month-long Stock Market rally might have been running out of steam, yesterday's 12.04 gain in the Dow Jones Industrial Average confirmed the buoyant mood here

NEW YORK

JOHN WYLES

at the Greenbriar where the U.S. Securities Industry Association is holding its three-day spring meeting.

Flushed with the Commission revenues flowing from an average daily trading volume on the New York Stock Exchange of around 35m. shares in recent weeks, the 350 attending the meeting has brought a zestful enthusiasm to their enjoyment of the total holiday concept embodied by the Greenbriar.

An 18th century mansion whose facilities occupy hundreds of acres of a green and pleasant valley in mountainous West Virginia, the Greenbriar is an appropriate setting for an industry which has latterly fallen on hard times but it yet not ready to abandon all of its expensive tastes.

On Wednesday afternoon, about 120 people were able to resist the attractions of swimming, golf, skeet shooting, horseback riding or whatever, to listen to a grim account of the deteriorating financial foundations of the U.S. securities business.

Between 1973 and 1977 the number of New York Stock Exchange member firms dwindled from 478 to 364. SIA researchers

revealed that the mergers and closures which accounted for this in an attempt to stem inflation decline stemmed from a growing need for capital, a revenue base which was revealed yesterday to have leaped by a hefty \$8bn. in the most recent reporting week.

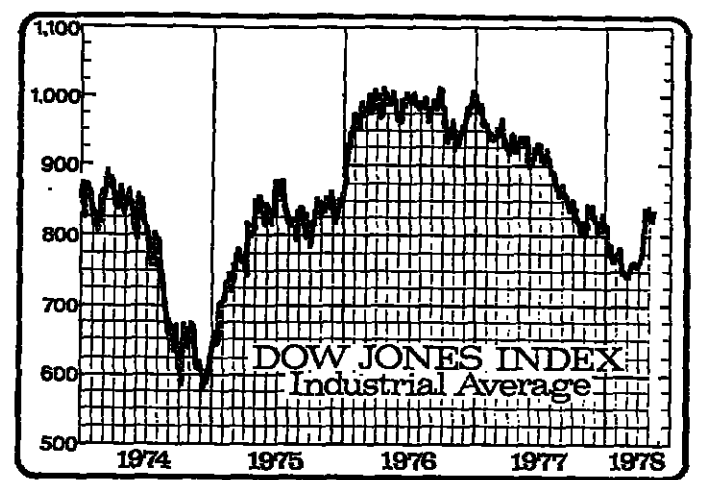
The Fed's move to raise short-term rates in recent weeks and the consequent strengthening of the dollar in the foreign exchange markets is part of the reason why the industrial average has taken such heart since April 12.

Foreign purchases of U.S. equities, particularly from West Germany and Britain, have been substantial. But the question remains as to whether the market can maintain its recovery in the face of economic developments which point to an inflation rate of above 7 per cent, and which in turn could damage the growth prospects towards the end of this year and early next.

There is one other worry here. Many brokers believe that large numbers of ordinary investors have been attracted back into the market. If this recovery there is a marked doubt in conversations here as to whether the many people who have avoided current rally will prove to be long-lived. Only a handful appear to be convinced that the industrial average is set for a steady climb for the rest of the year.

Most are influenced by historical determinism which decrees that in 56 years only once, in war-torn 1942, has the market reached its bottom before short-term interest rates have peaked. Very few economists believe that U.S. rates have yet peaked and the Federal Reserve Board is generally expected to tighten

Closing Industrial Index	Monday	Tuesday	Wednesday	Thursday	Friday
	824.58	822.27	822.16	824.20	846.70
	-4.51	-2.31	+0.9	+12.04	+6.50



MARKET HIGHLIGHTS OF THE WEEK

	Price Yday	Change on Week	1978 High	1978 Low	
Ind. Ord. Index	488.3	+6.8	497.3	433.4	Dismal economic trends ignored
Govt. Secs. Index	71.02	-0.71	75.58	70.97	Int. rate/money stock worries
Ayer Hitam	355	+30	355	240	Improved April tin output
Booker McConnell	264	+19	265	127	Renewed speculative demand
BP	864	+40	864	720	Block of shares finally placed
Burmah Oil	58	+4	59	42	Ahead of full report
Coca-Cola (R.)	296	+12	300	236	Good profits and scrip issue
Castlefield	287	+27	305	165	Revived speculative demand
English Property	38	+7	47	27	Investment demand
F.P.A. Construction	15	-8	26	15	Lower profits/no final dividend
Hall (Matthew)	223	+11	223	167	Good preliminary figures
Harrisons Malay. Ests.	105	+14	105	65	H'sons & Crossfield proposed merger
Longbourne	305	+33	305	222	Terms of Jokat merger
Nash (J. E.) Secs.	107	+30	107	62	Galley Grp. sale to Black & Edgton
Newman Inds.	88	+12	88	67	Good annual results
Pork Farms	665	+198	665	393	Northern Foods agreed bid
Royal Insurance	370	-17	425	346	First-quarter figs. disappoint
Rustenburg Platinum	84	+8	98	70	Persistent Cape buying
Scor. & Universal	112	-11	123	85	Lorho bid goes to Mon. Contm.
Weeks Associates	29	-6	36	27	Slowdown in current trading

The space age metal

ITS COLOUR is silver-grey. It is hard and tough with a melting point about 2000 degrees Fahrenheit higher than that of iron. Its applications are legion and spreading. It is molybdenum, the so-called space age metal.

Molybdenum is one of the few metals whose price has continued to move up steadily through the years of recession, helped, it is true, by a fall in production from the copper mines where it is a by-product. Further, deposits of it are comparatively rare.

Thus it is prized by the mining groups, among them Phelps Dodge, the U.S. copper major, whose fortunes have declined with the slump in the industry. The group is looking for diversification and seemed to have found a wide avenue for it when it announced earlier this year that it had a significant molybdenum deposit in southern Utah.

This week Phelps entered into a joint venture with Getty Oil to evaluate and perhaps develop the deposit. The agreement underlined the growing tendency of mining groups to ally with oil companies on specific projects—the marriage of expertise and cash.

Getty is certainly no stranger to the minerals field. It is the joint venture with, and effectively the financial backer of, Pancontinental at the huge Jubilika uranium deposit in the Northern Territory of Australia.

The news of the Phelps-Getty alignment followed quickly on the heels of an announcement from another mining-oil consortium of a molybdenum discovery in British Columbia. This involved Newmont Mining, the U.S. group which led the consortium which bought Peabody Coal from Kennecott and Esso Minerals.

The two ventures, added to the work Amx, the industry leader, is doing at the Mount Emmons find in Colorado and the exploration under way in Alaska by US Borax and Chemical of the Rio Tinto-Zinc group, point to a substantial increase in North American molybdenum capacity in the next few years.

But it will be a costly process. Amx spent \$500m. in bringing Mount Henderson in Colorado to production by 1976. General costs have risen since throughout the whole mining industry. In 1975, Anglo American of South Africa estimated the cost of bringing the new Elandsrand gold mine to production at R127m. Now it will need nearly R200m. The last tranche of funds from shareholders will be

available through a rights issue, the exact terms of which will be announced later in the month.

The mine is expected to start production in the middle of 1979, and if the bullion market

MINING

PAUL CHEESERIGHT

remains as steady as it has been in recent days, then the omens for it are encouraging.

The market has been settling down after the declarations of official sales from the U.S. and India, and helped by heavy demand at the most recent International Monetary Fund auction the price has been on a gentle upward trend, closing yesterday at 174.625 an ounce for a gain on the week of \$1.75.

Gold shares have shown the same tendency but trading has never been brisk. Elandsrand has moved quietly in the middle of its 1977-78 trading range, closing yesterday at 189p. The Gold Mines Index was 148.6, showing a rise on the week of 6.7.

In fact, all sectors of the

mining market have been quiet. There is simply very little to shout about. Certainly there has been no stimulus from company results.

Transvaal Consolidated Land and Exploration, the South African investment and mining concern, which is part of the Barlow Rand group, had net profits in the half year to March of R17.9m. (£11.3m.), against R15.7m. in the same period of 1976-77. The interim dividend was raised 5 cents to 35 cents (22p) and the total for the year is anticipated to be 105 cents, or 10 cents more than last year.

But the movement in profits was the other way at Union Miniere, the Belgian group. Depression on the copper and bismuth markets led to a 26.6 per cent decline in 1977 earnings. Net profits were B.Frs.601.07m. (£10.2m.) compared with B.Frs.819.78m. in 1976. The dividend was lowered to B.Frs.500 (£8.47) from B.Frs.600.

And ironically it was poor copper sales, which offset some improvement in nickel trading, that led Falconbridge, the second of the major Canadian nickel producers, to record a loss of \$C2.7m. (£1.3m.) compared with a profit of nearly \$C3m. in the first three months last year.

TIN OUTPUTS COMPARED

	April 1978	March 1978	Total to date (months)	Same period previous year
Amul. of Nigeria (tin)	123	123	2,026 (12)	2,517
Amul. of Nigeria (columbite)	4	4	217 (12)	174
Aokum	141	142	1,345 (10)	1,582
Ayer Hitam	175	99	1,407 (10)	2,504
Berjant	356	445	4,976 (12)	4,244
Bisichi Jantar (tin)	4	4	763 (2)	79
Bisichi Jantar (columbite)	4	4	591 (2)	405
CRB Sri Triamb	4	4	763 (2)	80
Ex Lands Nigeria	4	4	80 (2)	82
Gevoort	96	96	96 (2)	80
Gold and Base (tin)	4	4	111 (2)	2
Gold and Base (columbite)	135	153	982 (7)	1,116
Gopene	14	17	66 (4)	108
Kamunting	24	34	34 (1)	42
Kent (FMS)	4	4	102 (1)	42
Killinghall	47	69	402 (12)	459
Kinta Kelas	4	4	500 (12)	658
Kuala Lumpur	19	23	19 (1)	25
Lower Perak	39	28	323 (12)	248
Malayan	181	236	2,133 (10)	2,778
Pahang	132	128	1,321 (8)	1,538
Pengkalen	71	71	503 (7)	1,101
Petalina	123	133	695 (6)	512
Rahman	108	89	771 (10)	550
St. Piran—Far East	19	22	19 (1)	22
St. Piran—U.K. (South Croft)	170	201	170 (1)	168
St. Piran—Thailand	84	84	84 (1)	114
Southern Kinta	136	148	126 (1)	122
Southern Kinta	159	180	1,712 (10)	1,822
Sungai Besi	148	169	148 (1)	161
Tanjong	18	24	724 (4)	821
Tongkah Harbour	24	21	306 (10)	467
Tromoh	208	218	822 (4)	726
Uda Tin of Nigeria (tin)	4	4	12 (9)	29
Wheal Janet	4	4	577 (8)	576

Uda Tin metal content. 4 Figures include low-grade material. 4 Not yet available. Outputs are shown in metric tonnes of tin concentrates.

A new Unit Trust from Henderson

Cabot American Smaller Companies Trust

Experienced Management

Investments in Cabot American Smaller Companies Trust will be managed by Henderson Administration, an investment management company which has been involved in direct equity investment in North America both on Wall Street and in regional markets for the past thirty years. Over this period the managers have established and gained benefit from a wide range of contacts with stockbrokers, bankers and industrial managers. Contacts are particularly strong in regional cities where many of the more exciting investment opportunities are emerging.

Henderson Administration has been established in the City for 40 years and manages funds approaching £260m.

American Opportunity

The Managers believe that market levels in the U.S.A. do not reflect the underlying strength of the economy. Currently it is experiencing a period of steady and sustained expansion rather than the violent swings of the previous decade. Once the current uncertainties, including President Carter's policies, have been resolved, we expect that the market will continue its upward momentum and the dollar return to being one of the world's more stable currencies.

Prospects for smaller companies

Current economic conditions permit smaller companies in the U.S. to invest and expand with greater confidence than over the last few years. And whilst the Dow Jones Industrial Average has fallen 18% from its peak in September 1976 this trend is not reflected in the healthy condition of smaller U.S. companies whose share prices have been moving up against the trend whilst major companies operating in basic industries are still labouring under less favourable conditions.

Moreover, fund managers of American institutions, who dominate the movements of the stock market, are paying increasing attention to the prospects of the smaller companies at a time when many of the major stocks continue to disappoint. Stockbrokers, also, are responding to this trend by sponsoring a far wider range of companies than hitherto.

Cabot American Smaller Companies Trust operates a dollar loan account as well as making

* We offer over thirty years of American investment experience.

* At present we believe that American shares are attractively priced.

* And that smaller companies offer a promising alternative to conventional US portfolios.

* Launched at 50p each, units are now available at the second public offer price of 52p each.

investments with premium currency. In view of the high level of the premium at present the loan proportion is significantly the greater. In these circumstances the estimated starting gross yield on the Trust is 0.5%.

Please remember that any unit trust investment should be regarded as long term. The price of units and the income from them can go down as well as up.

To Buy Units

Since the first public offer of units on April 24th Cabot American Smaller Companies Trust has grown to £2.5 million. 95% of the fund is invested in a spread of 45 shares. To invest now, at the fixed offer price of 52p, simply return the application form below together with your remittance of the direct, or through your professional adviser. This offer closes on Wednesday 24th May or earlier at the Managers' discretion.

Additional Information

Units will be available after the offer closes at the normal daily price. Unit Prices and Yields are published daily in leading newspapers. Commission of 1% will be paid to recognised agents. No initial charge of 5% is included in the offer price. An annual charge of 1% (plus VAT) of the value of the trust is deducted from income to cover administrative costs. Distributions will be made on June 1st and December 1st. The first distribution on units purchased under this offer will be made on December 1st 1978.

Contract notes will be issued and unit certificates will be forwarded within six weeks of payment. To sell units, endorse your unit certificate and send it to the Managers. Payment will be made within seven working days. Trustees: Williams & Glyn's Bank Limited. Managers: Henderson Unit Trust Administration Limited, 11 Austin Friars, London EC2A 3DF. Registered Office: Registered No. 26899, England. A member of the Unit Trust Association.

To: Henderson Unit Trust Management Limited, Dealing Dept., 5 Rayleigh Road, Hutton, Brentwood, Essex CM13 1AA. Telephone enquiries 01-588 3622.

1/We wish to buy _____ units in Cabot American Smaller Companies Trust at the fixed price of 52p per unit (minimum initial investment £1,000 units).

1/We enclose a remittance of £ _____ payable to Henderson Unit Trust Management Limited. After the close of this offer units will be available at the daily quoted price.

Surname: Mr./Mrs./Miss _____

BLOCK CAPITALS PLEASE

Christian or First Name(s): _____

Address: _____

1/We declare that I am/we are not resident outside the Scheduled Territories and that I am/we are not acquiring the units (or the interest(s) of any person(s) resident outside these Territories).

Signature(s): _____

(If there are joint applicants each must sign and attach name and address separately).

Date: _____

SHARE EXCHANGE SCHEME

Our Share Exchange Scheme provides a favourable opportunity to switch into this Unit Trust. For details please tick box or telephone Geoffrey Shirecore 01-588 3622.

Henderson Unit Trust Management

FT 7/5

FINANCE AND THE FAMILY

Tenancies in Scotland

BY OUR LEGAL STAFF

I am thinking of buying a house for my son who is about to take his first job in Scotland. He may want to first to take in people to share running costs of the house but would want vacant possession when he moved to his next job. How can this be accomplished?

This matter is governed by the Rent (Scotland) Act, 1971, as amended by the Rent Act, 1974. Schedule 2, paragraph 2 of the latter Act provides that in Scotland no protected tenancy shall arise in respect of the occupation of a dwellinghouse or part of a dwellinghouse where the landlord's interest in the property belongs to a resident landlord.

As your son intends to occupy the flat himself and share with other persons, no difficulty should arise.

However, you should caution your son not to enter into any form of written agreement with his flat sharers which might prejudice his position.

Joint property and CTT

According to your answer under When Probate is Necessary (April 8), joint property accrues to the survivor and does not form part of a deceased's estate. Would it be liable to capital transfer tax? Joint property is liable to capital transfer tax but in many instances it will fall within the exemption which applies to transfers between husband and wife.

Winding up a small estate

As next of kin of a deceased relative who died intestate I am trying to clear up his small estate, which consists as to assets of Death grant £30, cash £350 and credit at banks £700, making £1,080. Liabilities are funeral £170 and various small debts £70, making £240. Do I require letters of administration?

You can deal with this estate without letters of administration only if you are able to obtain the necessary payments (that is from the bank) without

probate or letters of administration. This may be possible fact, the only one which is covered by a variety of statutory provisions listed in the First Schedule to the Administration of Estates (Small Payments), Act 1965. But if, as is likely, Variable Rate Treasury Stock, no such provision applies you can seek a grant using the simplified process under the 119 to 121 of the Taxes Act is Customs and Inland Revenue Act 1981.

Will and English property

My wife and I, English born, live and expect to remain in Switzerland. We have property in both Switzerland and England. Ought we to make two wills in relation to our Swiss and English property?

It is eminently desirable that you make a will in English form covering your English property. While a foreign will would be given effect in England in respect of your movable property in England if you are domiciled in that foreign country, the uncertainty of ascertaining domicile dictates the prudence of making an English will. However an English will would only be essential if you had immovable property (that is land) in England.

Gifts interest and taxes

For many years it has been the practice of the Inspector of Taxes to take into account interest on Government securities (not having had tax deducted before payment) received during the year preceding the year of assessment. For 1975/6, however, Government securities interest for that year was taken into account along with all other income received in that year. In my assessment for 1976/7 the Inspector reverted to the previous practice and took the interest received in 1975/6. Can you please quote any regulation or Inland Revenue code of practice on this matter? Can I insist on my 1975/6 assessment being based on the 1974/75 interest (which has so far not been taken into account at all)?

Leasehold enfranchisement

I am seeking to buy my house with 58 years of the lease to run and ground rent of £6 under the provisions of the Leasehold Reform Act. Can you tell me how I can work out what it would cost to buy the freehold and any other costs I may incur?

The answer to your question depends on expert valuation of the present capital value of the property, of the proportion of that which is site value, and of the notional "modern" ground rent for the site, and the capitalisation of that value, as well as a multiplier for the existing ground rent. It would thus not be appropriate for us to hazard a guess at the price, but a valuer will do this for you using the framework indicated above. The freeholder's legal fees are payable by the tenant, but may vary widely.

Repayment of tax

For 1976-77 my daughter who is a student had total gross income of £379.27, made up of £105 loan stock interest from U.K. companies, £234.32 dividends from South African companies and £39.95 bank interest. The tax credit on the U.K. loan stock was £36.74 and tax deducted from South African dividends £82. On her tax claims form the Tax Inspector recorded her personal allowance as £735, tax due as nil and repayments of tax as £118.74, less foreign tax £71.89, leaving £46.85 repayable. Could you explain these figures?

	Income	U.K. tax	Rate
South African dividends	234.32	46.85	20%
Less: 15% South African tax	35.15		
	199.17		
U.K. interest			
Taxed at source	105.00	36.74	35%
Untaxed (case III)	39.90		
Statutory income	343.90		
U.K. tax repayable		83.59	

The taxpayer owes your daughter £36.74 (plus 9 per cent. repayment supplement) for 1976-77. He has got himself into a muddle over a basically simple calculation.

Since your daughter's 1976-77 statutory income (before personal reliefs) was less than £350, your own child allowance of £365 for that year should not be restricted—assuming that she was born before April 6, 1959.

If you have any difficulty on this point, you should refer the Inspector to section 518(1) of the Taxes Act (in conjunction with section 511).

LIFE ASSURANCE has many advantages as a medium of savings, but it has, for many people, one great drawback as well: you may have to submit yourself to a medical examination. You don't need one of those in order to open a building society account. But then there's no cover against the risk of death attached to a building society investment. If you die in the early years of a life assurance policy, the company has to pay out more than it has received by way of premiums.

This is why life companies employ actuaries. The actuary does not know when a particular individual is going to die, but his mortality tables, compiled from life assurance statistics, enable him to ascertain the premiums required on a number of lives, so that his company can operate at a profit.

In the early days of scientific life assurance mortality was all important, and the history of actuaries' attempts to measure mortality is a fascinating subject. Nowadays, however, the yield in investments is much more important to the financial health of a life company.

Nevertheless, the actuary in his calculations assumes that the persons taking out contracts are in good health. And if they are not, then in fairness he has to charge an extra premium for the extra risk. If the health of an applicant is seriously impaired—if he has cancer, for

Facing up to a medical



"The stairs are the only medical we need."

instance—then the actuary will refuse his proposal, since death

ASSURANCE

ERIC SHORT

is shortly likely to occur and the company will make a loss on the deal.

Most of us are in reasonable health, and the life companies

will generally accept proposals on the basis of the information contained in the proposal form. This covers such items as height and weight, the history of heart, chest or other medical troubles, and so on. If the answers are satisfactory the proposal will be accepted automatically, if the cover is within certain limits, known as the "non-medical limits."

Sun Life Assurance was a pioneer in accepting policies

without an automatic medical examination. Now it has become the first company to put its non-medical limits up to £100,000. If you are under 40, then it will take any policy up to this limit without necessarily requiring a medical.

But this does not mean that the company is lax in its underwriting. It will ask for a report from the proposer's doctor at lower limits—at very much lower limits. If the case looks doubtful, a standard question on the proposal form requires the necessary permission. And the company has the right to require a medical examination if it is considered necessary. It can take action on early claims, too, though this rarely happens.

You should not let your fear of facing a strange doctor stop you from taking out life assurance. You may laugh at the suggestion, but brokers and life companies tell me that many people, and particularly the more elderly, just do not want to know as soon as there is a hint that a medical examination will be required. The Over-50s Club, recently formed, makes a great play of the benefit of being able to take out life assurance without a medical; but the cover that they offer is expensive. If you are reasonably fit you can get much better terms from one of the leading life companies. And if you are not, then you ought to know about it.

Life's secrets revealed

IF YOU belong to the silent majority to whom life insurance is a total mystery, then there is a book out next week which you need upon your shelves. It is called "Safety in Numbers: the heavy business of Life Assurance made light, instructive and readable." It is written by an outsider to the industry, Tessa Morrison, under the aegis of Provident Mutual; and it is very, very funny indeed.

The book was put together with a view to giving the layman access to an industry traditionally impenetrable behind its technicalities: and it succeeds remarkably well. As an outsider Miss Morrison started off with one inestimable advantage: she didn't know the first thing about life insurance. She ended with another: Provident Mutual did the technical vetting. In between, her text—a cheerful description of the genesis of the industry, its function (see the mouthful means is that, instead of getting your bonus doled out in cash, it gets added on, superbly, funny illustrations from Arthur Robins. Extra-assured", permanent health ordinary though it may sound, insurance ("if you regularly

the end result is a book that you wouldn't at all mind finding in your Christmas stocking.

Though the approach is light-hearted, the content is sound enough: Provident Mutual has its honour at stake and saw to that. The book describes the nature of, for example, term assurance ("His premiums buy him peace of mind if Fate is kind, and the live-saving cash for his family if it isn't"), the reversionary bonuses ("all this industry, its function (see the mouthful means is that, instead of getting your bonus doled out in cash, it gets added on, superbly, funny illustrations from Arthur Robins. Extra-assured", permanent health ordinary though it may sound, insurance ("if you regularly

climb Everest—or down a pint of Scotch a day—you may find yourself excluded from the AD203, to finance the extraordinary expenses incurred on promotion, transfer or death?), but it also provides a glossary of terms sufficiently comprehensive to be useful even to adepts of life, the tax advantages, and how to set about choosing a life company ("Do you stick a pin in the Yellow Pages, or take pot luck with an honest sounding salesman?").

It provides some of the most esoteric pieces of useless information ever seen outside the Official Statistics (did you know, for example, that the officers of the Roman garrison at Lambaesis in Algeria formed themselves a mutual club in the AD203, to finance the extraordinary expenses incurred on promotion, transfer or death?), but it also provides a glossary of terms sufficiently comprehensive to be useful even to adepts of life, the tax advantages, and how to set about choosing a life company ("Do you stick a pin in the Yellow Pages, or take pot luck with an honest sounding salesman?").

The wealth of information, in particular that glossary, makes it worth the £1.95 asked, but it is on offer at a pre-publication price of £1 to those who respond to Provident Mutual's advertisement during the coming week. *Safety in Numbers, by Tessa Morrison, illustrated by Arthur Robins, published by Hutchinson at £1.95.

Testing family income cover

LAST WEEKEND an eye-catching advertising campaign proclaimed: "Your wife could receive £500 a month guaranteed for the rest of her life" and exhorted the male reader to purchase cover under American based New Hampshire's "Monthly Family Provider Accident Plan."

This particular insurance provides family income type cover (of the kind sold widely by so many life companies) but the benefits are payable only on the accidental death of the policyholder. There are two premium/benefit scales: for £7.50 a month premium the policyholder gets £250 a month benefit for his widow, for £15 a month premium £500 a month benefit. Taking the higher figure, £15 a month, £180 a year is a lot of money for anyone to spend on insurance against accidental death, even if the benefit payable is £800 a year throughout the remaining days of the life of the policyholder's wife, and the prospective purchaser ought to put this cost in perspective. So it is worth looking at the sort of premium that leading British life companies require for the provision of family income benefit of similar annual amount.

Remember first that premiums for full life—death from any cause—cover are normally age related, so it is necessary to take a particular age on

which to base such full life cover.

The 35 year old can buy full family income benefit cover for his wife and children, so that they receive £6,000 a year for the remainder of 20 years, on his death by any cause during that 20-year period, for around £100 a year. For £180 a year he can step their potential benefit up to around £11,000. True the period of cover and benefit in this example is only 20 years, while the Family Provider Accident Plan allows the policyholder continuation up to age 65 and pays benefit throughout the wife's life. But alter the duration of the full

INSURANCE

JOHN PHILIP

family income policy to 40 years (if in fact anyone wants to contemplate cover so far into the next century) and the cost is still less than £400 a year, just over double what the New Hampshire wants for its limited protection.

One of the drawbacks of many family income policies is that they pay the same agreed benefit each year without any account being taken of inflation. While £6,000 a year tax free

may be enough for one's widow to live on in 1978, the question is how far will it go in 1988 or even 1998?

Because of the problems of inflation nearly all life offices offer family income benefits which increase. Of course, these escalating benefit policies do not give a complete hedge against inflation because they are not index linked, but they do afford some protection, particularly in single figures. There are escalators that start from the date of purchase of cover and escalators that start from the date of claim—obviously the former cost a little more in premium.

Taking again our 35 year old, he can buy a 20-year family income policy providing £6,000 a year escalating at 5 per cent. compound from inception, for around £180 a year, while expenditure of an additional £90 a year premium will buy the same initial cover coupled with a 7½ per cent. compound escalator.

It is against this kind of cost/benefit comparison the accident only benefit offered by New Hampshire has to be considered. In fact the purchase of limited cover is rarely a good buy, unless the individual is as adequately insured as his family circumstances demand, and unless he is using that limited cover for temporary rather than permanent topping up.

Under normal British life policies family income benefits are payable from the date of death to the end of the chosen term—so the life assured can designate his wife and children as beneficiaries and ensure that the money will continue to be paid for the full term for their joint and several benefit, no matter who dies or survives. Not so the New Hampshire cover—a 20 year cut off is imposed from the policyholder's death, if his wife dies before him, or at any time during that 20 years.

Direct selling, via the Press, is an established modus operandi of many American offices, and this example included a fairly simple application form requiring personal particulars. I am not certain whether or not this is intended by insurers to have more force than a simple application although the questions asked in it smack more of a proposal form.

Suppose the applicant does not tell the whole truth—truth insurers complain of non-disclosure, and seek to avoid payment? If so, then the application surely ought to carry a warning about materiality on the lines agreed last year with the Government by the British Insurance Association and Lloyd's, even though New Hampshire is not a member of BIA and is not bound by the British market's statements of insurance practice.

COST OF BORROWING AFTER THE RATE RISES				
	Maximum	Term	Rate	True cost over 5 years %
Barclays				
Overdraft	—	—	—	12-14½
Barclayloan	£2,000	3*	—	14.93
For home improvements	£2,000	5	—	14.93
Clydesdale				
Overdraft	—	—	—	11.5-13.5†
Personal loan	£2,000	3*	7.5	14.7
Co-operative				
Overdraft	—	—	—	12-14½
Personal loan	£2,500	3*	—	14
Home development	£2,500	3-5	—	15
Lloyds				
Overdraft	—	—	—	12-14½
Personal loan	£2,000	3*	7.5	14.7
Midland				
Overdraft	—	—	—	12-14½
Personal loan	£2,000	3*	7.5	14.7
NatWest				
Overdraft	—	—	—	12-14½
Personal loan	—	3*	7.5	14.7
Yorkshire				
Overdraft	—	—	—	11-13†
Personal loan	£2,000	3*	9	16.3
Houseowners	£2,000	3-5	9	16.8

* Depending on hire purchase restrictions. † Varies with base rate.

Costs rise again

BORROWING

ADRIENNE GLEESON

THE TABLE above shows the rates that the impecunious among us must now be prepared to pay for money from the bank; but how long they will remain in force is, for the moment, anybody's guess. The clearing banks' decision to put their base rates up last Tuesday was only to be expected, after the increase in the Bank of England's minimum lending rate at the end of the preceding week. But until it's plain that the minimum lending rate will rise no further, another increase in the charges to borrowers cannot be ruled out.

Given the narrowness of the margin now between what an ordinary borrower—that is, one with a rating somewhat less than treble A—must expect to pay on his (or her) bank overdraft, and the rates on personal loans, that might at first sight suggest that it is expedient to ask for one of the latter. Rates on personal loans are, after all, fixed for the duration: there are no unpleasant surprises to be sprung from the unsuspecting borrower. Rates on overdrafts, in contrast, go up and down at the bidding of the monetarist winds.

But it doesn't pay to be too hasty in these matters. Anyone who takes out a personal loan takes it out for a certain length of time—a year at least; and repayments cannot be accelerated. So the real comparison to be made is, not between the rate on personal loans now and the expected rate on overdrafts in the immediate future, but between the former and the expected average rate on overdrafts over the period of the loan. It's quite possible that interest rates will rise again in the very near future—temporarily. But it's very probable that they will fall away again—as they did in autumn 1976, and again in 1977—immediately thereafter. The question to be asked now is about the timing of the exercise.

If we assume that a Government in the run up to an election can't afford to let things like the sale of gilt-edged stock, the money supply figures, the rate of inflation—get too far out of hand, then I think we can expect that exercise might well be lower within six months than they are to-day. And if that is the case then an overdraft—at any rate on a one-year view—will be a cheaper form of borrowing. All the same, I'd put off the approach to the bank manager for a while, if I possibly could.

Topping up a pension

THE new State pension scheme does nothing for the self-employed, apart from providing them with a basic pension. But a pension contract with a life company provides a tax-efficient means for the self-employed to make their own pension provision. This is a potentially large market for the life companies, and in the past couple of years it has been wooed assiduously. Last week Save and Prosper Group brought out its new version of the self-employed contract, based on its "Guaranteed Plus" concept.

This represents a cross between a completely unit-linked scheme and a with-profits plan. The underlying scheme provides for a guaranteed level of pension to which is added a terminal bonus pension when the investor starts to draw it. Investment is made into an internal fund, run on utilised lines, and the bonus depends on performance. The fund is mixed, with a strong fixed interest element to cover the guarantee.

The unit price will not be published, but investors will receive annual progress reports on the fund. One drawback to the scheme is that the investor will have little idea of his ultimate pension. And since communications are now playing a vital part in company pension schemes, with automatic benefit statement provided periodically, S and P obviously needs to do something on these lines for the plan incorporates much that is good of both the with-profits and the unit-linked concepts.

The effect of this increase can be seen from the following example. Consider a self-employed investor, aged 40 next birthday, paying £1,000 a year initially, and increasing this by £1,000 a year every five years. Assuming a 10 per cent. per annum growth in the value of the fund, Schröder Life's preferential treatment adds about £14,000 to the final sum obtainable at 65.

Investors can now switch between these funds, except tax relief.

that they can switch into but not out of the building society fund. This provides a flexibility of investment to compare with that offered by most linked pension plans.

But there has been an even bigger change in the charges—they have come down. One hundred per cent. of the first five years' premiums is invested, and 105 per cent. thereafter. There is a 5 per cent. spread between bid and offer price. The first two years' contributions are invested in capital units—the first 3½ per cent. of return thereon being retained by the company. After two years investment is made into accumulation units. These are standard charges, common to most companies. But when the contributions are increased, as is almost inevitable to allow for the effects of inflation, only one year's increase is invested in capital units, instead of two years. Most companies treat increases as though they were fresh contracts, but Schröder Life is giving preferential terms.

The effect of this increase can be seen from the following example. Consider a self-employed investor, aged 40 next birthday, paying £1,000 a year initially, and increasing this by £1,000 a year every five years. Assuming a 10 per cent. per annum growth in the value of the fund, Schröder Life's preferential treatment adds about £14,000 to the final sum obtainable at 65.

Investors can now switch between these funds, except tax relief.

Capital building

TRIDENT LIFE, in refreshing contrast, is still going after the individual investor who wishes to accumulate capital through life assurance plans. It has this week launched its new maximum investment plan—the Professional Investors Plan—based on its 10-plus principle. By writing the contract as a 10-year plan, with options to extend for further 10-year periods, death cover is kept to the minimum necessary to obtain tax qualification, and thus the maximum amount can be invested. The other feature of this scheme is the facility to take tax free income after 10 years. The plan follows the normal procedure of writing the policies in clusters, to avoid a partial surrender situation and consequent loss of tax relief.

Leasing the clothes you stand up in

EMPLOYEE BENEFITS

TIM DICKSON

or employees."

There are advantages to a company, nonetheless, of two varieties. With inflation still biting hard, and the Government restraining pay rises, at least in the short term, a suit on the cheap provides a useful perk for the valuable or hard-working employee. At the same time, such leasing schemes ensure a well turned out team of executives. After all, when times are hard, mortgage payments tend to come before new clothes.

Benefits to the employee

meanwhile, are considerable. The most common scheme (run by Hepworths and Austin Reed, for example), is for the company to buy vouchers from one of the big retailers. The discounts offered will depend on the total value of vouchers. An employee then chooses a new suit, which belongs to a new employer, but which he either borrows free of charge, or leases for, say, one year. At the end of that term, when the fraction value of the suit is a fraction of its former price, the company either makes an outright gift of it or sells the garment to its wearer.

What does the taxman say to all this? For an employee earning more than £7,500, the taxable benefit is only 10 per cent. of cost price of the suit, and any rent charged can be offset against this. Thus if you get a suit for £100, your taxable benefit is £10; that is, an

assumed benefit of £10 will be taxed at your top rate. Second-hand its value is only nominal, say 25 or £10. So in two easy stages you can acquire a £100 suit by this method for no more than £10 plus a marginal tax charge. The company, however, will have difficulty in persuading the Inland Revenue that suits are a bona fide business expense—they could hardly be described as "plant and machinery" or qualify for the same tax treatment as a car.

Businesses are understandably reluctant to admit tax avoidance or publicise perks which may, technically, break the pay code. And retailers say they must observe confidential agreements with clients. But Hepworth, which has recently set up a department specifically to deal with corporate customers, says suits are used by many companies as incentives and bonus payments. The Inland Revenue confirms the existence of such schemes, but claims the practice of suit-leasing is not widespread. As for you, if you're feeling scruffy and your boss wants to pay you more, but can't, you could clearly do worse than ask him for another set of clothes.

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YOUR SAVINGS AND INVESTMENTS

Unhappy heavyweights

WITH THE City in a state of increasing despondency about the British economy, it seems an appropriate moment to look at some of the less happy situations on the equity front. As a glance at the accompanying table should suggest, the problems of companies in this situation are diverse, and differ in degree. The companies I have chosen are, however, alike in that, despite falling share prices, they are still heavyweights in terms of capitalisation, and it is likely that a lot of private individuals still hold them in their portfolios. Should they continue to do so?

These companies really fall into two groups. With one, misfortune has struck already—Spillers, Lyons and Reed International; and the question now is whether it is worth hanging on in the hope of recovery, or whether the shares should be sold, albeit at a loss, and the money put into something else. With a second group—P & O, Ocean, Tate and Lyle—a downturn threatens; and the question is whether the management will outface it or succumb.

HEAVYWEIGHTS OUT OF FAVOUR				
	Price*	Yield	High	Low
J. Lyons	P 95	12.3	111	89
Ocean	128	9.8	138	117
P & O	101	10.8	118	91
Reed	116	17.2	143	102
Spillers	261	7.9	33	26
Tate & Lyle	188	10.6	218	178

* Thursday's prices

If you happen to hold any of the first group in your portfolio then I should say that you will certainly need a lot of patience. Both Lyons and Reed have re-

INVESTMENT
ADRIENNE GLEESON

covered somewhat from the depths into which disaster plunged them, and it will take really good news to push their shares much further; at the moment there is no reason to expect that, in either case. As for Spillers, while there is a possibility that the downturn has been overdone, the situation is so messy that it will

probably take a long time for the first group in your portfolio to work through; and in the meantime there may be better things to be done with the money elsewhere.

If you happen to hold any of the second group, then I should say that you might as well hold on and see whether the situation does indeed become much worse. All three companies have been caught by the problems of the shipping industry, and Tate and Lyle is also at risk in that a large—though unquantified—proportion of its profits comes from commodity trading. But in each case there is a healthy—and for the moment reasonably secure—looking yield to support the share price; and while the shares are not worth buying it would be premature to sell.

Institution/fund	Currency	Listing	Valuation	Minimum purchase on issue	Initial charge %	Annual charge %	Asset growth 1 year	Asset growth 5 years
Britannia Trust Management (CI) Ltd.								
Growth Investors	£	—	Weekly	£500	5	1	+2.4	+45.4
International Fund	£	—	Weekly	£500	5	1	-0.3	-8.0
Jersey Energy	£	—	Weekly	£500	5	1	-4.0	NA
Universal Dollar	\$	—	Weekly	\$1,000	5	1	-4.0	NA
Universal Dollar Trust (Sterling)	£	—	Weekly	£500	5	0.75	+2.5	NA
High Interest Sterling	£	—	Weekly	£500	3.5	0.75	NA	NA
International High Income	\$	—	Weekly	\$1,000	3.5	—	NA	NA

* Minimal addition to charges on underlying fund

† Custodians' fees an additional charge on fund

Two new fixed interest funds offshore

IS THIS the right moment to launch a gilt-edged fund? It's a question which must have been worrying them round at Britannia fund managers, through the interest rate gyrations of the past 10 days or so. But the deed is now done—two new offshore funds, Britannia High Interest Sterling Trust, and its stable mate Britannia International High Interest Trust, were launched this week.

It's undeniable that both have more attractions for investors now than they would have done had the launches gone ahead as originally planned, a few months back. This is because interest rates have risen to the point at which there will be no problem in providing returns of 12 per cent, and nine per cent, respectively. The only question for the would-be investor is whether he wouldn't do better to wait a little longer in the hope that yields will rise still further.

Britannia's own fund managers reckon that that is a possibility, but that there won't be all that much in it; and in any case, in the expatriate markets at which



these two new funds are aimed, fine tuning the timing of investment decisions isn't all that important. It's getting the money tucked away, and getting it tucked away somewhere safe, that is the first priority.

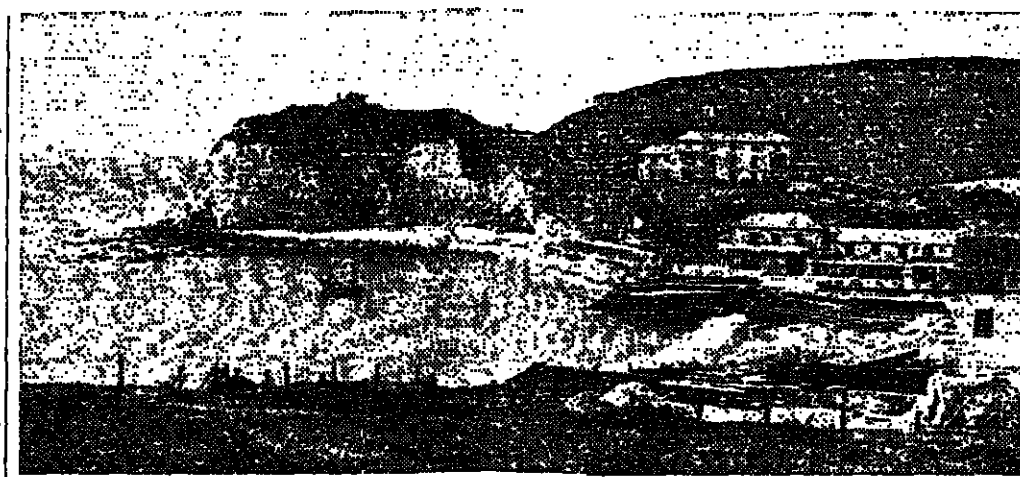
Of course, Britannia can't promise absolute security. If interest rates continue to rise then the value of the securities in which these funds are to be invested will fall. And the securities cannot afford to go liquid for long, since income is their first priority. However, with short-dated stocks yielding only a little less than those with a life of 20 years or more, at least there's no reason for the

managers of the High Interest Sterling Trust to court risks by much that there won't be all that much in it; and in any case, in the expatriate markets at which

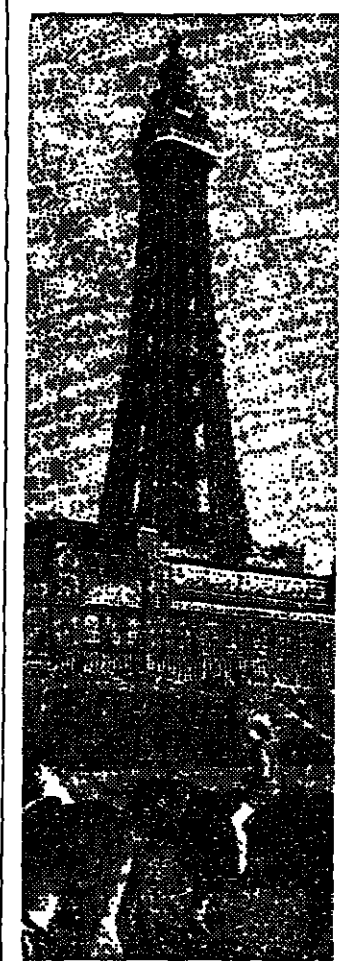
International High Income Trust is to be invested as to 50-60 per cent, in dollar-denominated Eurobonds, and 20-30 per cent, in U.K. gilts; the rest will go into hard currency securities.

If you happen to be working abroad and have overseas income to deploy, it's your view on currencies that should decide you between the two of these. But if it's growth that you want, rather than the safety of regular income, you should perhaps go for one of the equity funds instead. Britannia Growth Investors, with a portfolio entirely composed of U.K. equities, has done well over the longer term, though less well over the past two years. Its U.S. equivalent Dollar Trust, established a year ago and holding its own reasonably well over a period when the Dow Jones has fallen.

It's possible to invest in all of the Britannia offshore funds by way of savings plans (minimum of £25 a month for the sterling denominated funds, \$100 for those denominated in dollars).

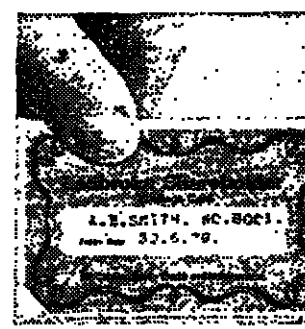


A list of "perks" for shareholders



DID YOU know that you can sail from Southampton to the Isle of Wight (above) completely free, once you have been registered as the proud owner of at least 1,200 shares in the Southampton, Isle of Wight and South of England Packet? Did you know that you can obtain a discount on bills at a hotel in Blackpool (left), should you happen to hold shares in Town Centre Securities? Did you know that you can attend a shareholders' open day—with refreshments—and an opportunity to purchase a range of clothing at wholesale prices, should you hold 500 shares in Tricoville?

This information comes to you courtesy of stockbrokers Grieveson, Grant—yes, the very same stockbrokers who think well of the individual investor—who maintain a running list of shareholders' perks: not exhaustive, they say, but certainly pretty comprehensive. It indicates, inter alia, that it is possible to obtain a discount on accommodation at Ladbroke hotels and motor inns, on holidays, at sports and hi-fi shops, and free entry to the Grand National, casinos and greyhound racing stadia as soon as the privilege card (right) is issued—on registration of a holding of 200 shares, 400 sub-



from Mount Charlotte, Middleton and Vaux Breweries, in addition to Town Centre and Crown House.

Should you happen to be feeling the cold draught of inflation and recession, you can, in addition to the discount on Tricoville's high fashion clothes, obtain a reduction on those from Amber Day (another high fashion outfit), from Gieves Level, from Hepworths and Moss Bros. You can get fur and sheepskin coats and jackets from Cope Allman on the cheap, or leisurewear and camping goods from Greenfield Millets, or shoes from Stylo. You can furnish your house on the cheap from A. Aronson as well as Henderson-Kenton, and as the privilege card (right) is issued, you can even drive around on a registration of a vehicle from holding of 200 shares, 400 sub-

Additional costs for house buyers

ANYONE seeking a mortgage may think he has spotted a silver lining in an otherwise daunting task when his eyes latch on to a sub-heading, "Increased Advances" in the brochure from the building society.

The following paragraph is likely to suggest that an advance above the normal may be made when suitable additional security is provided and the reader is assured that this advance may be arranged simply and inexpensively by way of an insurance indemnity policy.

But at this point, the inevitable conditions loom. It is made plain that the maximum advance obtainable by this method varies with the circumstances of the case and that further details will be supplied on request.

What the insurance indemnity covers is the difference between the normal advance

MORTGAGES

GOH ENG KEE

agreed by the building society (on valuation of the property), and the sum required by the buyer. This additional advance usually runs to a few hundreds of pounds only; if it should be of any considerable amount the society may be more wary about the application since it tends to increase the total payments due and to cast doubt on the applicant's ability to meet those payments.

The indemnity policy to be issued by an insurance company will be arranged by the society. It will guarantee that in the event of default on payments by the buyer the society will be able to recover its costs.

Generally, there are three ways of paying off the additional advance. Most societies prefer the method under which the buyer pays additional interest in the first year, and repays this capital first. The additional interest charge varies with the size of the additional advance required.

Second, the buyer may choose to make a single premium payment for insurance on the sum until it is paid off over the normal term. The size of the premium will depend on the amount of the indemnity required.

Third, the buyer may offer other forms of additional security, or someone else may do so on his (or her) behalf. Such security might include a life policy which has already acquired a cash surrender value; the deeds of other property; Government or other trustee stocks or a personal guarantee supported by a cash deposit.

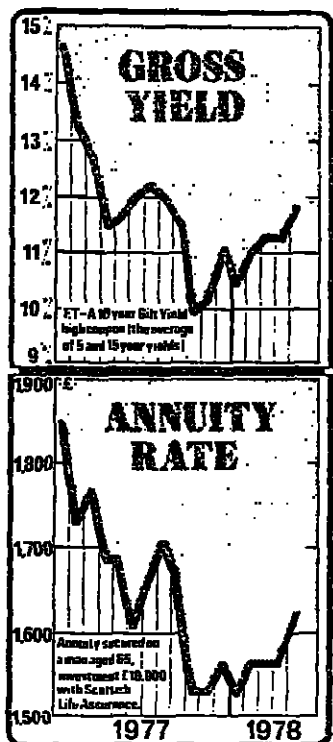
Awaiting rises in annuities

IF YOU are thinking about supplementing your income by purchasing an annuity, and want the best return for your money, you must not only study the best rates published by magazines such as Money Management or Planned Savings, but also read the gilt-edged reports in the newspapers. You may get a better return by waiting a few months.

Annuities are a good means of living on your capital without having to worry about actual outliving the rate at which you use up that capital. The life company which grants the annuity accepts the death risk and will pay out no matter how long you live. It is the task of the actuary to fix the rates, going by his mortality table. The older you are, the higher the annuity rate, since your expectation of life is that much shorter. Also men get higher rates than women of the same age, because the latter's expectation is longer.

But the life company invests your capital, and part of the annuity payment represents interest on that capital. The average length of annuity payments is between seven and ten years, so the actuary bases his rates on gilt yields of this term. In days when yields were much more stable, actuaries tended to keep annuity rates unchanged for longish periods. Now the rates are much more sensitive to changes in yields, especially among the top companies which are actively seeking annuity business.

The graphs show how gilt yields on 10-year stocks, as measured by the FT-Actuaries gilt yield matrix, have moved since the beginning of last year, and show for comparison the return on annuities from Scottish Life Assurance, a company which has consistently been in the top 10 for its rates. The high degree of collation is unmistakable. (For the purists, I have taken the 10-year rate of a special property fund.



as the mean between the 5 and 15-year yields on high coupon stocks, since annuity funds are virtually gross funds.

Interest rates have moved up sharply since the Budget, reversing the previous trend downwards since yields peaked in October, 1976. The future trend is not clear at present, but yields are not likely to fall significantly in the near future. So for interested investors it may well pay to wait awhile. You will probably get a higher rate because yields will rise further; and you will definitely get a higher rate because you will be that much older. Rates tend to move in quarter years of age.

The big drawback to conventional annuities is that, to get a high initial payment, the underlying fund is based on fixed interest investments. So the payments are fixed in money terms. Inflation soon erodes their real value. An increasing annuity seems the obvious answer, but there are very few available. Property Growth, now part of the Phoenix Group, were pioneers of the investment-linked annuity back in 1971, and they have recently reissued the relevant brochure. The level of payments on these annuities depends on the price of the units I have taken the 10-year rate of a special property fund.

SAVE & PROSPER
U.S. GROWTH FUND

Share prices on Wall Street have recently staged a sharp recovery as institutional investors have reacted to more favourable economic developments. This recovery has been given added impetus by the above-average amounts of institutional cash awaiting investment in equities and the fear of missing the bottom of the market.

Whether this recent upturn in the market represents a brief rally only, or whether it heralds the beginning of a sustained bull market is difficult to determine at this time. Even so, it is our firm belief that the market is now towards the lower end of its present cycle and that, however the market reacts in the short term, the scope for capital gains is substantial in the medium term.

The reasoning behind this belief is that, although there are still a number of unsettling factors within the U.S. economy, they have been largely discounted in the present level of share prices. Despite the rise in recent days, shares are still selling at comparatively low levels in relation to companies' underlying assets and earnings. We therefore believe that Wall Street continues to be in a position to record an impressive performance. Furthermore, we believe that Save & Prosper United States Growth Fund with its current emphasis on the larger companies—which have led the recent upturn—is a particularly attractive way to invest in the American market.

United States Growth Fund

U.S. Growth Fund was launched in 1964 and is now valued at over £31 million. By investing in the fund you can obtain a far wider spread of investment than you could readily obtain on your own behalf, as well as benefiting from Save & Prosper's long experience of the U.S. market and currency management.

GENERAL INFORMATION

Trust aim: The aim is to provide a portfolio invested in the shares of U.S. companies. Income is not a consideration in managing the fund.

Units are sold to buy U.S. shares normally by being bought and sold on any working day. However, in exceptional circumstances the Managers reserve the right to suspend price quotations pending their revaluation.

And to sell. The Managers will normally buy back units from registered holders, free of commission, at not less than the bid price calculated on the day your instructions are received, in accordance with a formula approved by the Department of Trade. They may also be sold back through an authorised agent who is entitled to charge commission. Payment is normally made within seven days of our receiving your instructions.

Charges: The fund is authorised by the Secretary of State for Trade, and is a "collective investment" under the Trustee Investments Act, 1961. The Trustee is Bank of Scotland who holds the title to the trust's investments on behalf of the unit-holders.

Income: Distributions of net income are made on 15th April each year. There can be reinvested in further units if you wish.

Managers: Save & Prosper Securities Limited (a member of the Unit Trust Association), 4 Great St. Helena, London EC2P 3EP.

Past performance

Since the launch, the fund's offer price has increased by 114%. This compares with a rise of 23% in the Standard & Poors Composite Index (151% when adjusted for exchange rates and investment currency fluctuations). As can be seen from these figures, changes in exchange rates and in the investment currency premium can affect the value of your investment as much as stock market fluctuations.

An investment in this fund should be regarded as a long-term one.

Remember the price of units and the income from them can go down as well as up.

About Save & Prosper

Save & Prosper Group was founded in 1934 and in addition to being Britain's largest unit trust group is a major force in the life assurance, pensions and annuities field.

At 1st January 1978 the group managed £275 million on behalf of more than 700,000 investors.

How to invest

To make a lump-sum purchase, please complete and return the coupon below together with your cheque. You will be allocated units to the full value of your remittance at the offer price ruling on receipt of your application. The minimum initial investment is £250. On 9th May 1978 the offer price of units was 80.3p giving an estimated gross yield of 8.87% p.a.

If you require any further information on the fund, we suggest you consult your professional adviser, or contact our Customer Services Department at the address given in the coupon below.

Advisers requiring further details should contact Save & Prosper Services on 01-831 7601.

Application for a lump-sum purchase of
US GROWTH FUND UNITS

Save & Prosper Securities Limited, 4 Great St. Helena, London EC2P 3EP. Tel: 01-856 8889.

Registered in England No. 786728. Registered office as above.

To complete this form please complete and return to us, or through your bank, stockbroker, solicitor, accountant or certified insurance broker, together with your remittance. We will acknowledge receipt of your application and remittance and will normally complete the units within 14 days. Cheques should be made payable to "Save & Prosper Securities Limited". This offer is not available to residents of the Republic of Ireland. (Please amount of remittance)

Please issue to me United States Growth Fund units to the value of £ estimated at the offer price ruling on receipt of this application. (Minimum initial purchase £250 for subsequent purchases £100). A remittance is enclosed.

My Name/Name of Firm (Print Name)
BLOCK CAPITALS PLEASE
Address
Agent's Stamp

I declare that I am over 18 and am not resident outside the UK or other Scheduled Territories and that I am not accepting the above units as the nominee of any person resident outside those Territories. If you are unable to make this declaration it should be deleted and the form lodged through your UK bank, stockbroker or solicitor.

Signature
Endowing United States Growth Fund units please tick here.
If you would like distributions of income to be reinvested in further units please tick here.
If you would like details of the Share Exchange Plan please tick here.

Date
For Office Use Only
420/FT/1

SAVE & PROSPER GROUP

A Top Performing
American Fund
TARGET AMERICAN EAGLE

Highlighting the best performing unit trusts in the various specialist sub-sections in 1977 the Investors Chronicle 14th April, 1978 stated:—
"... Target American Eagle, very much against the trend... rose 15.5% in the North American section".

Over the same period the Dow Jones Industrial Average fell 17%.

In July 1977 we announced to unit-holders our intention to increase the American content but we held off because of the weakness of Wall Street and the dollar. The correctness of this decision is reflected in the performance compared with funds invested wholly or substantially in America over the past year.

During 1978 we have increased the U.S. content from 48% to 75%, taking advantage of the lower share prices and also because we felt that the period of relative strength of the pound against the dollar was at an end. It is our intention to increase the U.S. content still further but timing remains of the utmost importance and we

shall continue to use our discretion in this respect.

The aim of the Fund is to achieve longer term capital appreciation and we believe that the case for investing a part of your capital in North America with such an aim in mind is now very strong. Share prices, in terms of the established yardsticks are historically cheap. U.S. inflation rates are low in global terms and America is after all the largest and most advanced economy in the world.

Remember the price of units and the income from them can go down as well as up.

Your investment should be regarded as long term.

APPLY TO THE Unit Trust Association will not be held responsible for any loss or damage to your investment. The Managers reserve the right to close the offer, to vary the date of sale of units at the offer price or to vary the date of sale of units at the offer price. The offer is not available to residents of the Republic of Ireland. The offer closes on the 31st May 1978.

OFFER OF UNITS AT 28.5p EACH UNTIL 31st MAY 1978
current estimated gross annual yield 1-34%

TARGET TRUST MANAGERS (SCOTLAND) LTD. (Incl. T.O.), TARGET HOUSE, GATHEHOUSE ROAD, AYLESBURY, BUCKS HP8 5PH.

UNIT TRUST MANAGERS (SCOTLAND) LTD. (Incl. T.O.), TARGET HOUSE, GATHEHOUSE ROAD, AYLESBURY, BUCKS HP8 5PH.

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PROPERTY

A rose by any other name

BY JOE RENNISON

IN THE Estate Agents Bill which yesterday foundered on the Parliamentary rocks there should have been a clause on agents' use of the English language. The public are, of course, protected by law from factual inaccuracies. But even so agents can still call upon their own peculiar muse to give a certain glow to those facts. The art of poetic prose is not yet dead.

Take, for instance, the following: "£85,000—3/4 Bedrooms 2 Reception, CH, 80' Garden, Parking 2 cars. Recapturing the nostalgia and splendour of Tudor Times with an authenticity that is hard to fault from its heavily timbered white panelled exterior reposing beneath a gabled roofline to an interior brimming with features typical of the period. A stout oak door takes you into wood block floored panelled 22' Hall with Cloakroom. The generously proportioned Lounge 20 x 15 is a room you immediately feel at home in—lots of

oak panelling, ceiling beams, leaded light windows and a congenial brick fireside create an endearing sense of unity. In the Dining Room 15'6 x 12'6 walls are finely moulded forming the background for a marble fireplace on a wood block floor base. Access garden. Big family size Kitchen/Diner 16 x 14, well timbered—units in teak housing oven, hob, twin stainless steel sink with waste disposer, following the friendly Tudor theme. 1st floor 3/4 Bedrooms, Principal Bedroom L shaped, 23 x 23, easily divisible into 2 double bedrooms, attractive cornice-work, 16 x 12 and 11'6 x 11'6, 2 and 3. The fenestration is a notable feature being 3 and 4 light stone mullioned casements with 4-centred sub-arches and rectangular drip moulds. While no doubt this is all entirely accurate it does seem to me to be rather a complicated mouthful to include in details sent out to potential buyers. Still better this fault than the kind first quoted.

There is another kind of description which seems to me to err on the other side. Such as: "In plan the house is double L-shaped and is built on 2 storeys with attics in numerous gables which have moulded springs and finials. The exterior is mainly rough-casted with free-stone dressings, the roof being of pantiles. There are a number of tall stone chimney stacks with caps, some in groups of 2 and 3. The fenestration is a notable feature being 3 and 4 light stone mullioned casements with 4-centred sub-arches and rectangular drip moulds. While no doubt this is all entirely accurate it does seem to me to be rather a complicated mouthful to include in details sent out to potential buyers. Still better this fault than the kind first quoted.



Two estates on the market this week but two different ways of investing in them and enjoying their benefits. The first is quite normal and involves a straightforward sale. The Brands House Estate is near High Wycombe, Buckinghamshire. It is an attractive, small residential and agricultural estate, situated two miles to the north of High Wycombe in beautiful

countryside over which it has excellent views. The estate covers just over 100 acres and consists of the following: (above left) Brands House—an elegant period house with five reception rooms, seven bedrooms and four bathrooms, heated swimming pool, attractive grounds and parkland; secondary house with three reception, four bedrooms and two bath-

rooms; a two-bedroomed cottage; three eighteenth century barns suitable for conversion: paddocks, farmland and woodland. The estate will be auctioned in High Wycombe on June 29, 1978, as a whole or in 10 lots unless it is sold privately. The agents suggest that more than £250,000 will be achieved for the whole estate. In the second case the share in the

country life literally by the purchase of shares. Family trustees are selling the shares in Great Lodge Farms Ltd., Framlingham, Suffolk. The principal assets of the company are: Great Lodge Farm of 666 acres having: a first-class principal residence (above right) with three reception rooms, seven bedrooms and four bathrooms; a secondary house and nine cottages; excellent pig and

grain buildings; fertile arable land; 170 sows and their progeny; well-maintained modern farm machinery. The agents are looking for offers in the region of one million pounds for the shares. It is not purely a financial transaction, the estate will be vacant possession so you can go and farm there if you want. Both estates are on offer through Citibank, 74 Grosvenor Street, W.1.

The Arab invasion cools

IT WOULD seem that the Arabs and other Middle Eastern buyers have not made their accustomed spring rush to buy homes in London and elsewhere in Britain.

The rush to buy expensive property in select parts of the capital, and country estates around it, normally starts in late March, but so far there have been few signs of the normal number of buyers, says Bernard Thorpe and Partners. Perhaps it is a reflection of our spring being very late this year—one day it is here, the next it is gone.

Over the past three years, Middle Eastern buyers have been on a spending spree, and they are thought to have spent possibly £500m. on residential

property in this country. There are still plenty of buyers, however, and the majority of them looking for the more expensive property are now coming from Europe, North America and Britain itself.

Bernard Thorpe says that one of the main reasons for this change could be that most Middle Eastern buyers have now made the purchases they want—bought in the slump when there were few British buyers about. Now there are few bargains about as prices for flats and houses have risen substantially over the past six months, although now they are stabilising.

The firm adds that the pound is substantially higher in value than it was in the property

slump, when the only buyers for property costing over £75,000 were from abroad. There was a glut and a wide selection to choose from then, whereas now the choice of property is severely limited.

"The Arab rush to buy has been exceptional over the past three years, but we knew it would taper off sooner or later. This now appears to be happening," said a spokesman. As the days of the rich Arab spending upwards of £1m. appears to be over, and those who are buying do tend to be purchasing more modest property," he added. The more common price bracket now is from £40,000 to £100,000 although the odd big transaction above that figure will still take place.

Middle East People are still coming to London in ever increasing numbers. But now they own a wide selection of property in which to stay when they come here. Bernard Thorpe and Partners think that the residential market in Britain will now be more stable this summer, particularly with the threat of a rise in mortgage rate before too long, due to the rise in minimum lending rate from 7½ to 8½ per cent.

FISHING

JOHN CHERRINGTON

IT IS fashionable in salmon fishing circles to condemn and lure other than the fly on most rivers unless water conditions make its use impossible. These are when the water is either too high or too clouded for the fish to see a small fly or too deep for the fly to be sunk where the fish are believed to be lying.

This year I have a rod on a Wye beat where fly fishing is both very possible, and almost de rigueur. Long stretches of fast running pools like the very best of Scotland and the bottom good for wading without drowning an elderly angler like myself. Incidentally for those who fear this sort of death Hugh Falkus gave a demonstration on TV of how a sexagenarian can take to the water fully accoutred in waders, etc., and survive. The technique is not

to throw up ones arms and scream for help, but to lean back so that your legs rise to the surface and then float, supported by the air in your garments, meanwhile paddling towards the shallows.

Quite easy if you can already swim and I suppose worth practising if you can't. But I can add one warning to his advice. I was once bathing in a fast but shallow New Zealand stream, and found it very pleasant to float downstream until I collided with a rock which knocked me silly. So if caught in this situation try going feet first if you can.

So far this year the lower Wye has been unsuitable for fly fishing being too deep and too coloured and the fish have been going straight upstream. This has reduced catches in any case while giving a bonanza to beats higher up which had a very thin time for the last two years. I am jealous of their owners, but this jealousy is tempered by the fact that the river will be much better stocked in the future in con-

sequence, as these fish spawn with them it would have been easier. Certainly if they are properly used it does seem possible to get a rather longer cast than with a fixed spool.

However I have been on the river whenever conditions have been remotely favourable for spinning and while I have not yet caught one myself other factors. Fish prefer the sort of

The deadliness of spinning is probably due to a variety of factors. Fish prefer the sort of flies used, although the tube flies used on some rivers are need less skill than fly fishing, and also to be more lethal under similar conditions. I certainly don't agree with the first position. Casting and controlling a Devon minnow, spoon or other lure without getting it snagged on the bottom needs a high degree of skill based on experience. So far this year I fish much simpler and more have come back with more of other people's minnows than I have lost.

I am still rather non-U, and use a fixed spool reel. The best people use multiplier reels and are apt to sniff at my tackle. I have used these reels in the past, but have not found them readers how to catch fish. There too easy with endless possibilities, overruns which are don't really know for certain undoubtedly due to my lack of skill. Perhaps if I had started

teach others from the depths of

my ignorance. However for those who want to know I can thoroughly recommend two books on still water fishing.

In "Still Water Angling," Richard Walker gives us the benefits of his experience so clearly and simply that with it in hand it should be possible to fish for different coarse fish with a considerable degree of success. In the same genre Brian Clarke in "The Pursuit of Stillwater Trout" provides a splendid example of how by application of observation and skill reservoir trout fishing can become akin to the finesse said to be confined to the art of the dry fly.

For those who don't take to the water but wish to make the best of a small acreage for sport "The Amateur Keeper" by Archie Coates does assume a basic knowledge among his readers which the other two writers don't. Still Water Angling by Richard Walker, Pan Anglers Library, £2.00. The Amateur Keeper by Archie Coates, Pan Anglers Library, £2.00. Andre Deutsch, £4.50.

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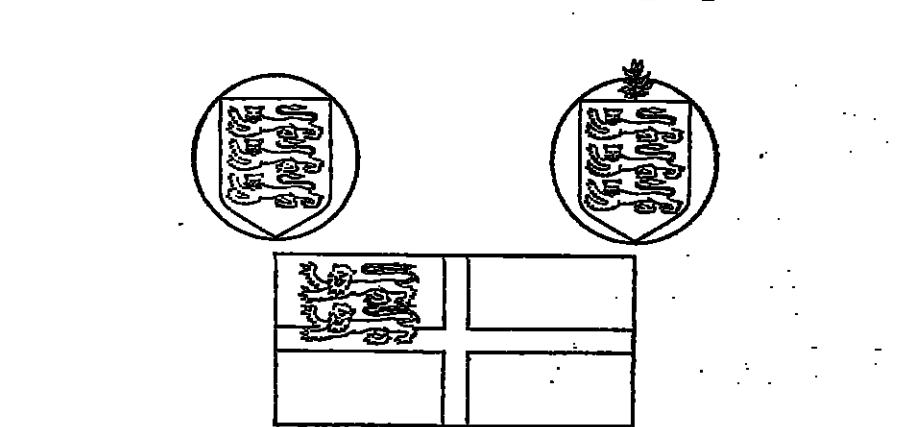
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A FINANCIAL TIMES SURVEY

Channel Islands
June 16 1978

The Financial Times is planning to publish a Survey on the Channel Islands on Friday June 16. The provisional editorial synopsis is set out below.

INTRODUCTION Potential strains on the economy have arisen as a result of pay settlements above those in the U.K. Can the level of stability be maintained in the face of this potentially inflationary pressure?

FINANCE The Island's role as an off-shore financial centre is expanding. That role is becoming increasingly international as the number of foreign banks increase.

INVESTMENT There has been a big growth in the number of Islands based trusts, which has enabled non-U.K. residents to consider new investment fields.

COMPANY LAW Professional opinion continues to be opposed to radical change in the proposals for a new commercial code in Jersey. Debate on the matter continues despite the initial adverse reaction.

HORTICULTURE Tomatoes and flowers continue to provide the backbone of the export market. Modernisation and rationalisation have helped keep the Islands economic and efficient.

TOURISM To develop the trade the Islands are developing their conference facilities and sporting activities. Some 1m. visitors are expected this year and their contribution to the economy will be highly important. There is some concern about the effect of dearer air fares on the number of arrivals.

INDUSTRY The Islands may not be famous as an industrial centre but there are some small-scale activities, such as boat building, and they help to sustain a diversified economy.

For further information please contact:
Steve Nevitt
Financial Times, Bracken House, 10 Cannon Street, London EC4P 4BY.
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MOTORING



Matra Rancho

Spring Treble

BY STUART MARSHALL

MAY has brought a spring flush of new cars. At least the BMW 323i, the Chrysler-Matra Rancho and Peugeot 305 are new to Britain, although they have been selling across the Channel for several months.

The BMW 323i and Chrysler-Matra Rancho with right-hand drive are in British showrooms now; the Peugeot 305 makes its official U.K. debut on Monday. They are an interesting and attractive trio and seem bound to make a hit with three quite different kinds of buyer.

Take the BMW, for example. This could be thought of as a sports car for people who hanker after two seats but must, for professional or domestic reasons, have four.

From the outside it looks like any other BMW 3-series two-door saloon, but there are quite a lot of changes underneath. To cope with the extra urge (143 horsepower at 6,000 r.p.m. instead of the 320 model's 125 horsepower) the fuel-injected 323i has beefed-up suspension and an all-disc braking system. Higher gearing makes it feel longer-legged on the motorway than the other small BMWs. It helps fuel consumption, too. BMW claim a cruising consumption of around 30 m.p.g., combined with a top speed of 120 m.p.h. and a 0-60 m.p.h. acceleration of nine seconds.

During a 200-mile drive in the south of France recently the 323i showed it was obediently controlled during brisk motoring on mountain roads that were, once again,

streaming with water. Basic price is £8,294, but BMW Concessionaires reckon a high proportion of buyers will go for extras like air-conditioning, electric windows and power steering. They will put the price up to nearly £9,000, which is more than another rival, the Alfa Romeo GTV Strada, but less than the Porsche 924 Lux.

The contrast between BMW and Chrysler-Matra Rancho could not be greater. The Rancho is an inspired shuffling of standard Simca (that is, Chrysler France) parts to make an enormously roomy, mainly glass fibre panelled estate car which can venture on to tracks that would smash most cars' springs and exhaust systems.

With its massive, matt-black bumpers, grille-protected spot-lamps and what appear at first sight to be solid rubber body protectors, the Rancho looks as much as a 12 stone blonde wearing a leather jacket and thigh boots. But no matter. The idea was to feed fantasy, to make the businessman fleeing Paris on Friday for the family cottage in the Dordogne, day-dream that he was about to cross the Kalahari Desert.

Inside, the seats are squishy thrones, practically trimmed in washable vinyl, and the floor is rubber matted. To drive, the Rancho is like a stiffer but still highly shock-absorbent Chrysler Alpine. It sustains 70-75 mph quietly enough for the radio to be enjoyed and will run up to 90 mph despite its lofty, wind-catching body. Understandably, it rolls a lot on fast corners but it never feels less than completely safe.

The price of this French-built, front-drive Range Rover substitute (or jumbo-sized Renault 4 if you prefer) is £5,650, which will, alas, put it out of reach of many parents with big families for whom it would be the ideal motor car.

Perhaps Chrysler might consider a cheaper and more basic version without the "Kings Road Commandos" staff accessories. Demand would be enormous if they did.

When I tried Peugeot's admirable new 305 saloon in France in the autumn, I guessed (this column, November 19 last) at a price range between £3,200 and £3,900 depending on engine size and scale of equipment. In the event, the 1,300-c.c. base model GL will cost £2,999, the posh 1,500-c.c. SR Lux £3,884. Even Peugeot's assembled dealers whistled in surprise at the just under £3,000 tag when they were told of the price in confidence at a Wembley jamboree last week.

How long it can be held remains to be seen, but it is a bargain-basement figure for a roomy, economical and above all, very refined 4/5 seat family saloon with a big boot. The 305, though developed mechanically from the 304, has an all-new body shell that makes it the best-looking Peugeot yet.

With Peugeot, I always get the impression that the marketing men what to do, not the other way round. The £3,299 305GR I drove for a fortnight recently was everything a small-to-medium size family car should be. It was mechanically quiet and practically free of wind and tyre noise at 65-70 mph, easy to park, easy to enter and leave, economical (33 m.p.g.) and relaxing comfortable. This is a car that will add new lustre to Peugeot's quality reputation.

Pelargoniums, more familiar as bedding geraniums, are a little tougher provided they have been well acclimatised before they are planted out, but that it unlikely to apply to many of the plants now on sale some of which may have come to market direct from comfortably warmed greenhouses.

Much the same applies to many other popular summer flowers. Antirrhinums can be

Work-outs at the bar

RAY REARDON was rueful but certain. The man who has proved he is the world's best snooker player had just won seven frames on the trot against Eddie Charlton, having in the previous day's session lost a like amount. "I do not know," he said. "Before the first day's play I was in bed early with practically no booze at all. That helped me to play so badly that I very nearly lost the match before it started. Then on the second night I went out with some friends, had about eight large gins, got to bed about 3 a.m. and played just about as well as I could in the next session."

Reardon won his match comfortably, and set the senses jangling. How could he do it? Reardon is no playboy, within the real meaning of that word, but here was a champion, in one of the most delicate of all games, talking about large gins, late nights, and winning snooker.

He would not, I am sure, advocate LGTs (large gins and tonic, as the 1971 British Lions used to call them) as a way of life. Yet there do seem to be times when a quick one or two seem to settle rather than upset. The world's finest pistol shooters, in constant search for the steadiest hand possible, had to be ordered off the alcohol in the last but one Olympics, while no self-respecting fast bowler would dream of a quiet night on the slim-line bitter lemons justifying instead eight pints of best bitter as being required medicinally, to replace the fluids lost during the day. Or about to be lost the next.

Neither would any second

row forward or member of the front row forwards' union feel any guilt about the odd half pint. One member of the last

GOLF

DAVID DAVIS

British Lions, at a pre-tour reception given by the makers of a famous stout, refused to leave until it had all gone, missed the team coach, and had to get a taxi to the airport. He proved to be one of the outstanding successes of the tour.

That sort of thing is probably all right in the bloodier sports, but I know of no golfer who

has made a habit of hard drinking who has reached the top. There have been some renowned celebrators of victories, or even of defeats, with Ray Floyd and Doug Sanders perhaps leading the way, with Walter Hagen looking in wistfully from on high. But in golf the drink generally comes after the fact, not before. As Harry Vardon once said when asked to sign the pledge: "Moderation in all things is essential but never in my life have I been beaten by a tee-totaler."

At the club amateur level, things can be startlingly different, though different people are affected in different ways. For instance, I remember once being struck down by a seemingly innocent advertisement in the Bahamas. This bar, rather than offering reduced prices for drinks during a Happy Hour, was instead proclaiming that between 6 p.m. and 7 p.m. there would be an Attitude Adjustment Hour.

Clearly this could not be resisted, and low and behold our attitudes were indeed well and truly adjusted. By 3 a.m., we had reached the stage where it didn't seem immediate to tell one's companions one could beat them anywhere, any time, for any amount of money. A bet was struck, and six hours later there lay before my rival and myself the lusciousness of Treasure Cay Golf Club.

My opponent began by trying to play his normal game, obviously not remembering how severely his attitudes had been adjusted the previous evening. On the other hand I was acutely aware of a paralysis that enabled the club to be merely lifted off briefly and dropped back down behind the ball. The result was a succession of 150-yard drives absolutely dead straight. It was more than enough. I was four up after six and eventually thrashed him out of sight. There is probably a moral in there somewhere.

Beware the Buchan

BY THE MIDDLE of May many garden owners, spurred on by displays of summer bedding plants in shops and garden centres, will be thinking about filling their borders, plant containers and window boxes for the summer. Whether this is wise depends a great deal on where one lives and what it is one proposes to plant. Except in the extreme west and south west and near the sea, I would not put much trust in British weather before the end of May.

Years ago we used to talk a great deal about Buchan's third cold period which was supposed to occur somewhere between May 12 and 16. I suppose this has long been discarded by weathermen as just another myth but night frosts, due to the rapid loss of earth warmth to the sky on clear, windless nights, are certainly a feature of May weather and it does not take much frost to damage, beyond salvation, really tender plants such as begonias, scarlet salvia, impatiens and dahlias.

Pelargoniums, more familiar as bedding geraniums, are a little tougher provided they have been well acclimatised before they are planted out, but that it unlikely to apply to many of the plants now on sale some of which may have come to market direct from comfortably warmed greenhouses.

Much the same applies to many other popular summer flowers. Antirrhinums can be

almost hardy if they have been grown in a cool place for several weeks, but it is the greenhouse plants that are likely to look most lush and attractive on the market stalls, and they are the ones most at risk.

Fuchsias, French and African marigolds, petunias, ten-week stocks, nemesis and annual asters are other popular plants sold in large numbers at this time of year. If they can be purchased and housed for a fortnight or so in frames, even temporary ones covered with polythene sheets, well and good, but I would think twice about planting them outdoors without protection until it is far more certain that the frost danger is over.

However, I would make an exception for sheltered town gardens. The warmth emanating from many heated buildings has much the same ameliorating effect on the local climate as the proximity of sea which does not change its temperature rapidly and so provides excellent protection from short duration frosts. And that is precisely what one can expect this next week or so: frost starting, maybe, after midnight, reaching its peak about dawn and finished by the time most people are about. It often goes unsuspected, the damage it leaves behind being wrongly attributed to disease.

For sheer capacity to flower

and flower without ever stopping for a rest, it is impossible to improve upon Begonia semperflorens, but I confess to no great liking for it in the manner in which it is usually grown, as straight rows edging beds or slabs of colour as "carpet" bedding. Yet this is a plant which can be used with considerable charm.

Most notably I recollect a tiny town garden in which single plants of pink and red begonias had been placed in the centre of little "pools" made with the

GARDENING

ARTHUR HELLER

golden leaved form of *Helzine soleirolii*. They lit up an otherwise drab garden marvellously. Small groups of this begonia can be used with herbaceous plants, many of which only flower for a few weeks, so that colour continually can become quite a problem unless bedding plants are mixed with them. Dahlias and antirrhinums are even better for this purpose as they have much more character as individuals and also a far greater range of colour, height and form.

Marigolds are best sellers, presumably because they are such reliable plants capable of producing a tremendous display even when the weather is bad.

I find the French varieties more attractive than the Africans. The Africans, with their immense globular flowers that look as if cut out of highly coloured sorbo rubber. By contrast many of the French marigolds are small and neat and some, like Naughty Marietta, have quite elegantly formed single flowers usually yellow, heavily splashed with bronzy-red.

Petunias fare badly in wet weather but are magnificent in warm, sunny summers and there are few better plants for window and balcony boxes. Scarlet salvia are much better bad-weather plants but their uncompromising masses of colour can be very tiring to the eye. Like begonias they need to be used with discretion and not overplanted, as they usually are.

Among my own favourites are the new varieties of impatiens, plants which really do deserve the description "improved" if one compares them with the old Busy Lizzy from which they have been developed. Colours are now much more varied than they used to be and the plants are so compact that they can be used as ground cover if desired. They are among the best summer bedding plants for shady-places and will also grow well in full sun. Yet when all the novelties

have been given their due there is still a great deal to be said for the old-fashioned zonal-leaved geraniums.

Whether one obtains genuine old varieties such as Paul Crampel and King of Denmark raised from cuttings or new varieties, such as Carefree and Sprinter, raised from seed, they are worth consideration. Their flowering season rivals that of begonia semperflorens, they have far more individuality in leaf and flower and they can be used in a variety of ways.

No wonder they are rapidly coming back into favour, but they remain expensive plants, even when raised from seed, and so it is usually economical to make provision to retain them from one year to another. Seeding varieties usually perform even better in their second and subsequent years than they do the first summer when some can be a bit too leafy, with a tendency not to start flowering until late July or August.

Ivy leaved pelargoniums make good companions for them in beds, containers and boxes, either allowed to spread or hang in their natural manner, or trained up canes or trellis-work as colourful climbing plants. Pink flowered Galilee remains the favourite variety but I am delighted to see others creeping back into the market place. They never were anything like as numerous as "zonals" but there are plenty of old varieties still to be rediscovered, and maybe someone will soon start raising new ivy leaved pelargoniums from seed.

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Terror on TV

WHOEVER changed the conditions of life by inventing how to thicken cloth mechanically by water-power, must have felt proud. Terror would now seem a more suitable emotion, however, because to that 13th-century event can be traced the development of modern capitalism, industry and so on. In effect, the invention changed not only the conditions of life, but also the people living it.

Historical examples like that offer important lessons for our treatment of recent discoveries, and the one which comes particularly to mind at the moment is television. It does so because of the survey report issued by Pye this week that most children are subject to no parental control over the number of hours they spend watching TV or over the kinds of programmes they see.

To take the evidence that control is lacking as an *ipso facto* case for banning or limiting children's telly-viewing

EDUCATION

MICHAEL DIXON

would, of course, be to fly in the face of logic. But now that our techniques of psychological and social inquiry are rather more reliable than they were in the thirteenth century, we would surely be wise not to let television just happen to us without making a coherent effort to consider what the consequences are likely to be.

Most readers' attitudes to youngsters' watching will, I suspect, be much like my own. Take for example the vivid showing of violence.

Intellectually, I can appreciate the argument that if people act on the influence of TV advertising, they can hardly be assumed to be inert to the stimulus of televised violence. But my experience of allowing my own children to watch as they wish is that the occasional diet of vivid brutality has not made them any more violent than I was without any telly to show me the way.

Whatever the speculative arguments for imposing control, I prefer the findings of personal experience against it. And I should no doubt continue doing so without a qualm if television—as distinct from other factors—promotion of violence. Otherwise, it is not beyond possibility that future generations will be unable even to think of such a thing.

For some time there has been mounting evidence to suggest that increased TV-viewing is associated with declining ability among children to match previous educational standards. The latest example I have to hand is the report of an expert committee set up in the U.S. to inquire into falling scores in the Scholastic Aptitude Tests used in assessing youngsters' suitability for higher education. In reading-and-writing, and to a lesser extent in mathematics, the candidates' performance has dropped steadily over 14 years.

Of course, this could mean merely that the previous standards are ceasing to reflect real needs in a time when television, pocket tape-recorders and so on are becoming more and more common.

But in discussing the reasons for the decline, which the committee feels must be due partly to television taking up time which would previously have been spent in developing the skills measured by the tests, the report puts forward a disturbing theory.

"Reading a line of script or type," it says, "involves a 'linear, verbal, logical function which is performed in the left hemisphere of the brain, while watching something such as a television screen involves a 'simultaneous, visual affective' function—performed in the brain's right hemisphere."

"Could this much functioning of one area of the brain alter the neural mechanisms of the mind?"

The question takes us back to the thirteenth-century inventor. It seems highly likely that the process which enabled him to mechanise cloth-filling, and his successors to develop modern technology and science, was the linear, logical functioning of the left side of the brain. And even that side could only boggle at the possible effects on mankind of future neglect of those functions brought about by a switch to developing the opposite hemisphere. The risks are terrifying.

True, the U.S. committee is only hypothesising. But now the suspicion has been raised, it is surely vital that the effects of television on the human mind should be comprehensively investigated as far as science will allow. Otherwise, it is not beyond possibility that future generations will be unable even to think of such a thing.

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TRAVEL

The Survivors

ELEPHANTS are still alive and the 60 mph sprinter who easily well in Tsavo Park, albeit in reduced number, I can faithfully report. Thus, on return from a first visit to Kenya and, enthusiastically, as a novice, with what I had seen of its fauna, it came as something of a shock to pick up a week-old colour supplement and see in its pictures of the shrivelled remains of the great mammals.

The photographs were taken in 1971 and 1975-6, both years of bad drought. Mercifully, for elephants and other animals the last two winter "dry seasons" have been generously wet. Even before the start of the rains this April Tsavo Park, 8,000 square miles in area and the largest protected wilderness in East Africa, was luxuriant with knee-length grass and scrub. The plentiful rains of the last two years, together with the complete ban on hunting throughout Kenya imposed in May 1977 should mean good game viewing for the rest of this year.

Rust-coloured from the mud with which they spray themselves as a protection against insect irritants, groups of elephants could be seen frequently along the game runs of both Tsavo and Amboseli looking placid, which could be seen as a measure of the security provided by the sanctuaries against the depredation of poachers if not the threat of starvation. An exception was the biggest herd that our party saw numbering over 50 of the beasts. Looking apprehensive, it was on the retreat from the north where, game warden said, it had been ravaged by ivory hunters armed with automatic weapons.

According to E. T. Monks, Secretary of the World Wildlife Fund Kenya, Tsavo's elephant population has fallen from about 26,000 in mid-1976 to an estimated 8,400. Yet, poaching apart, there is a limit to the number of elephants with their prodigious appetite (an average-sized one consumes 400 lbs. of fodder daily) that an area even as big as Tsavo can accommodate. While the droughts of the last decade may have been exceptional, in a sense the natural cycle has restored the ecological balance as far as the elephants of Tsavo are concerned. Far more acute is the anxiety about the future of the rhinoceros, especially the white variety, and the cheetah.

Only on one day in 1976 have the so-called "Big Five"—the elephant, the lion, the rhino, the buffalo and the leopard—been seen more or less simultane-



Tsavo lives on

ously. On that occasion Mr. Both of them are dominated by Bill Burrows, Salt Lick's manager—who formerly ran the famous Mount Kenya Safari Club which was bought last year by Saudi entrepreneur Adnan Khashoggi—asked an American tourist what she thought of it all. She replied, "That's Hilton hotels for you." Asked to elaborate, she answered—leaving the veteran hotelier speechless—"You let them out of their cages."

Salt Lick does stand in its own mini-reserve of 40 square miles but like the bigger game parks—with the exception of the Nairobi National Park just near the capital—the animals can come and go as they please. In the same territory a few kilometres away adjoining Tsavo West is Taita Hills Lodge which also belongs to the same international chain. More luxurious and in a beautiful setting it is one of the more exotic gems in the group.

While Salt Lick is for close-up viewing, Taita Hills is situated for excursions into Tsavo National Park, which is cut into its eastern and western sectors by the Nairobi-Mombassa road, and the Amboseli Game Reserve beyond.

By the end of our four days on safari our company had become reasonably proficient in distinguishing between the different horns and rump markings of the impala, Thomson's gazelle, Grant's gazelle, Jackson's harebeest, the great eland, lesser kudu and the endearing, diminutive dikdik. We became acquainted with the

wart-hog and rock hyrax, a creature about the size of a large guinea pig which, improbably, is classed as the elephant's closest relative. We caught a glimpse of the bat-eared fox, the jackal, and various mongooses.

Well worth a detour, even if it were not one of the main game runs, are the well-publicised Mzima springs where the hippos wallow and crocodiles lurk. In the recognition game the party did less well with the birds of which no fewer than 600 different species exist in Tsavo alone but regretted that the hunting ban denied us the chance to sample on the table the helmeted and vulturine guinea fowl. As for the Big Five we never did see a rhino nor a leopard, who is nocturnal and elusive. Only on the last of our four days did we sight the massive (and very dangerous) buffalo in Amboseli on our return to the more conventional comforts of Nairobi.

Tsavo and Amboseli are just two out of nine game reserves in what is a very large country. It would take at least three months and a lot of money to "do" them all. Masai Mara adjoining Tanzania's Serengeti National Park on the border, which has been closed since 1976, is richer in animal life, while those around Mount Kenya may be more scenically beautiful. However, Tsavo and Amboseli are not only the largest but the "most typically African" in the independent opinion of the aforementioned Mr. Monks. They are especially well blessed with lions, leopards, oryx, gerenuk and the Lesser Kudu. The bird life he judges "first class."

In the far more compact area of Nairobi National Park where the warden keep a precise watch on the lions and other beasts one can make up for anything missed in the wider open spaces—with the exception of the voracious elephant who is excluded.

One of the most refreshing and best-ordered capitals of Black Africa—though with a fairly alarming record for theft and bag-snatching—Nairobi is a pleasant enough place to stay for a few days. The night clubs and discotheques throb in pleasant multi-racial harmony and make little drain on one's finances. Shopping there can afford more expensive temptation by way of wood carvings, semi-precious stones like green garnets and batiques apart from the cheaper and more conventional jewellery. For the best in all indigenous art of the Continent go to African Heritage.

Free-spending Deutschmark-strong Germans for the most part prefer to spend all their Kenyan holidays on the beaches, their women folk exultantly walking topless on the sun and sea it is good value compared with the Caribbean. The trend for the less hedonistic British and others is to have a week in Nairobi and the game parks as well as on besporting themselves on the coral reefs. Most package holidays cater for both. Among specialists to get in touch with are Swan Tours, Kuoni-Houlders, Fair World and Rankin Khun.

Days with the squirrels

BEING RELUCTANT to throw things away, on the assumption that they may come in useful at a later date, during the past few months I have become increasingly aware of the debt we owe to those dedicated squirrels who have hoarded on a grand scale. Without their efforts much of our heritage would have been lost for all time and our children and grandchildren would never have been able to see for themselves a steam train or a fairground organ. Nor would they have known what sort of houses people lived in centuries ago, what ladies wore under their crinolines, and what tobacco their grandfathers smoked.

Many of the specialist museums and collections—there are fortunately an increasing number of them—have their roots in the enthusiasm and sheer hard work of farsighted individuals who have turned their hobby into a life's work for the benefit of future generations.

Anthony Irving, a self-confessed eccentric—you would have to be to keep 25,000 items of "Smokiana" in your house—is to-day the owner of the world's only "Smokiana" collection and his House of Pipes at Brambar, near Steyning in Sussex, is quite amazing with exhibits from all over the world on permanent display in a relatively small area.

There are pipes of every size and shape, long-forgotten brands of cigarettes and tobacco, lighters, ashtrays, smoking caps, and many of the old advertisements are work of art in their own right. A vintage tobaccoist's shop has a particular appeal to children and, if you have difficulty in obtaining your favourite brand, visit the adjoining shop and I am pretty certain you will find it there.

The House of Pipes is open daily (except Christmas Day) at 20p for adults and 10p for children. Personally conducted evening tours for parties can also be arranged.

Not far away and in a gorgeous downland setting at Singleton, near Chichester, the Weald and Downland Open Air Museum was the brainchild of Mrs. R. Armstrong MBE, who in 1966 launched his scheme to restore and preserve examples of the smaller, everyday houses and rural buildings that had littered on which concerts are

given. The piece de resistance in the new extension now being completed will be the gondola with its restored Venetian boats. Open daily until October 31 in the afternoon and on Sundays during the winter, admission is 50p and 20p for children.

When traction engines powered threshing machines, tractors had not taken over from horses and thanks to many breeders and societies, our heavy horses are no longer threatened. Courage's Shire Horse Centre at Maidenhead is a mecca for those interested in these magnificent animals, now mainly seen at agricultural shows, when, drawing immaculately turned-out drays, they are always the centre of attraction. You can visit the stables of these gentle giants, some weighing nearly a ton, and some of the original breeds of fighting cocks, the brewery's logo, are in the pet's corner. Open daily (except Mondays) from March 1 to October 31 at 50p and 40p for children.

It seems appropriate that the elegant surroundings of the Assembly Rooms at Bath should house the largest collection of costumes in the world. It was started by Doris Langley Moore and includes Byron's famous Albanian costume in which he was painted. The display is most imaginative, each with period items in everyday use and providing a rich and varied social history from the 16th century onwards.

All the backgrounds to the rooms of various periods were designed and painted by Mrs. Moore's daughter and many scenes of Bath are still recognisable to-day. Open daily (except Christmas Day) at 65p and 25p for children.

The English Tourist Board has details of many other specialist museums where, often with limited means but a super abundance of enthusiasm, voluntary helpers are making an important contribution to the preservation of our heritage.

ADDRESSES: Salisbury: West, Chichester, Littlehampton, West Sussex. Courage's Shire Horse Centre, Maidenhead. The Weald and Downland Open Air Museum, Singleton, near Chichester. English Tourist Board, 1 Grosvenor Gardens, London SW1W 0DL. House of Pipes, Brambar, near Steyning, West Sussex. Museum of Costume, Assembly Rooms, Bath, Avon. The Thurstford Collection, Thurstford Green, Norfolk. The Swan, Norfolk NR22 2AS. World and Downland Museum, Studleson, Mr. Chichester, West Sussex.



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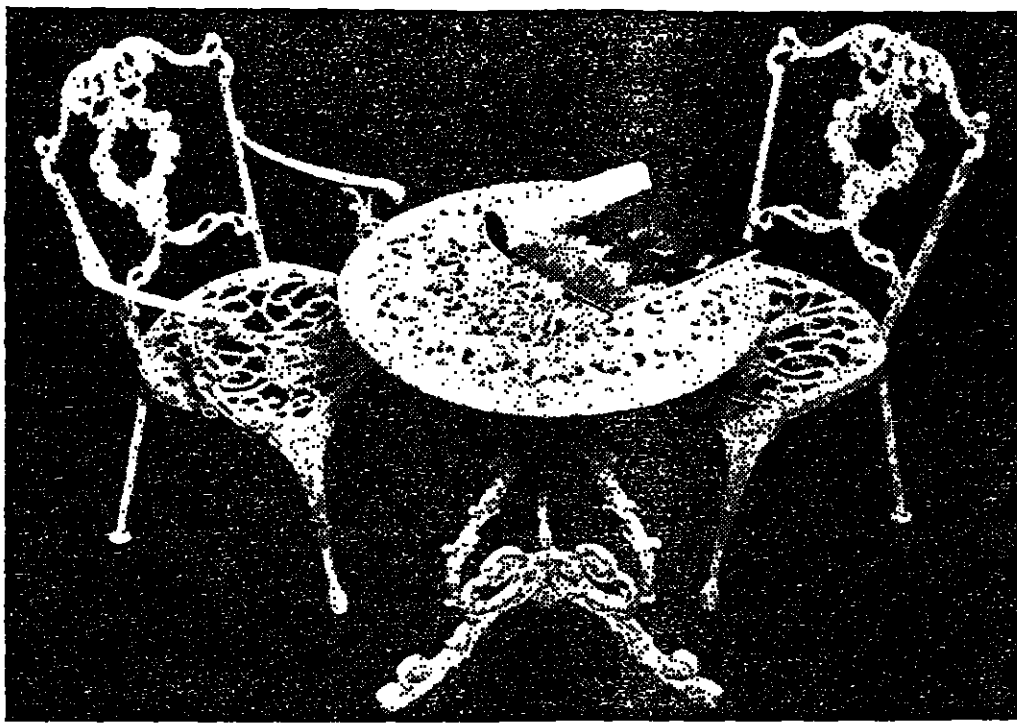
HOW TO SPEND IT

by Lucia van der Post

Time to move Outdoors

HAVING been brought up in a country with about three months of winter, eight months of summer, and one month of so-so-weather, I have the utmost difficulty adjusting to nine months of winter followed by three of indifferent summer. Therefore I feel that I can't bear to waste a minute of the good weather. At the first hint of summer I'm outside, eating every possible meal, drinking every possible drink, in the

great outdoors. I'm not sure if everybody else feels the same way but I do feel that when those rare, beautiful days and even rarer beautiful summers do happen, we aren't well enough equipped to take full advantage of the shimmering days and balmy nights. So, ever-optimistic, here are some ideas to help you enjoy those rare and lovely occasions when the sun shines, the wind is nothing but a breeze and there isn't a drop of rain in sight.



Wrought from the past

ONE OF the most practical ranges of garden furniture that I know of is Edenlite's aluminium alloy collection. The material itself is very light but it is finished with a white coating of Polyester which is fused to the treated aluminium alloy and which is very resistant to wind, rain and all the other perils that British garden furniture has to face. It doesn't rust or corrode and you can buy it from most garden centres packed in large containers, which you take away yourself by car. The furniture has to be assembled by

the buyer at home but I am assured that this is very easy.

The Edenlite Viceroy range is another in the collection of Victorian reproductions and though, usually, I'm not very fond of reproduction I think these designs do manage to combine the decorative qualities of the old Victorian furniture with the practical qualities of new materials and techniques—lovely though genuine cast-iron furniture is, it is really very heavy indeed.

Shown here is a table and two chairs from the Viceroy range.

Original Abraham Darby casts were used. The carver chair is £39.99, the dining chair is £35.64 and the pedestal table (24 inches in diameter, 27½ inches high) is £47.77.

If you think there is going to be a very hot summer, Edenlite produces a very similar table but with a central hole to take a garden umbrella. That version is known as the Sun-downer and costs about £48.

If you can't find the pieces you want in your local garden centre Edenlite, Hawksworth, Swindon, Wilts, will send you a brochure and the name of a local stockist.



DON'T forget the chain-stores when it comes to looking for picnic gear, inexpensive outdoor seating and all the appurtenances that help one to enjoy the outdoor life. All but the smallest branches of British Home Stores seem to have expanded their range of picnic equipment to include much more than the odd thermos bag or freezer bag—now you could buy almost everything you need from them and all at extremely reasonable prices.

Above, is a collection of some of the latest BHS aids to summer living. In the background is what they call a tote bag and certainly almost every beach seems to demand one of these if one is to be at all comfortable. It is designed to zip up on either side so that it becomes like a bag—the two handles complete the package. Foam-padded, it also has a waterproof lining and so it can also be used for carrying beach accessories. It comes in three colours: brown, green or orange and costs £5.99.

Front left, is an ice box which is the sort of thing I have found essential for enjoyable picnics in very hot climates. If you use pre-frozen ice packs as well, the contents of an ice box should keep cool for at least six hours and probably longer. The ice-box photographed is the 30 litre size which in orange or brown costs £7.99. There's also a 25 litre size for £6.99.

Front right, is a coolie bag which is foam insulated and made from very strong PVC and serves to keep food cool for a shortish period of time—primarily for use when shopping. It would certainly come in useful on British holidays but I don't think it would keep food cool enough in, say, a Mediterranean sunspot.

Right: More useful ideas from British Home Stores. The cylindrical container on the left holds all the rest of the items spread in front of it—the two food containers, the four plates, tumblers, knives and forks and the salt and pepper pot. Everything is made from non-toxic plastic, the outer container is blue or green and the total price £8.99.

Far right, is a very large coolie bag with wheels. Again, primarily designed to help keep food cool while transporting it from freezer centre or shop to home, it is also a good carrier for a large picnic but it won't keep climates. If you use pre-frozen ice packs in very hot weather. Made from blue denim, it costs £9.99.



Postal Tips

READING Philippa Davenport's summery suggestions for food in May and, in particular, coming upon her suggestion for asparagus, reminded me of Michael Paske's excellent service for sending fresh asparagus by mail. I know most good class greengrocers sell asparagus but I'm never quite sure how long it's been there. Michael Paske guarantees that his asparagus is sent by first class letter post on the same day as the asparagus is cut. It is cut on Monday, Tuesday, Wednesday and Thursday of each week. The season goes on until mid-July.

He sells asparagus in five different grades—the cheapest is known as kitchen grade and consists of thin or branched spears weighing a kilo for £3.00. The most expensive are known as jumbo and have 20 mm minimum diameter guaranteed at the mid point of the spear. For £4.25 you would get between 24 and 26 such spears. Long Green extra measurements of 12 mm and 20 mm at the mid-point of the spear and they cost £3.85 for between 33 and 37 spears. Then there's long green class I with a 10 mm to 12 mm minimum diameter and between 14 and 16 spears per pack at £3.55. Finally there is long green class II with a 8 mm to 10 mm diameter at the mid point of the spear and between 48 and 60 spears per pack £2.25. Each pack weighs a kilo.

Asparagus obviously make a lovely present for a week-end hostess but make just as nice a present for your own family. If you want an order form with all details write to: Michael Paske Farms, Barstons, The Spinney, Hartford, Huntingdon, Cambs.

SAILOR

● An unusual, thick terry towel in navy blue background and scarlet from Habitat. 75 cm. by 150 cm. it is £6.95. If you order over £10 worth of goods you can buy it by mail.

THE HABITAT group of shops is obviously anticipating a long, happy, hot summer. Their shops are packed with a host of ideas for making the outdoor life more comfortable, whether in your own garden or away on holiday. Habitat, as most people know, now have some 27 stores and an efficient mail order system so anybody wanting to buy any of the summer appurtenances should have no difficulty—either go to your nearest store or you can see a few of their summer things, like deck-chairs, hammocks, wicker furniture and parasols in their mail order catalogue.

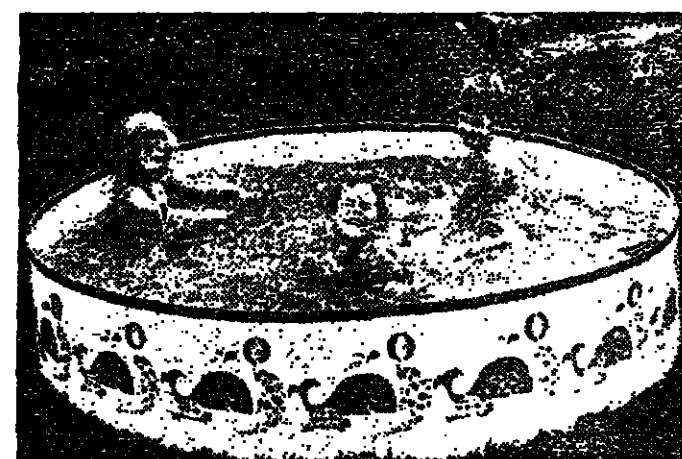
The Conran shop, about whose upholstery I wrote last week, at 77, Fulham Road, London, S.W.3, is part of the same group and they have an attractive sheet full of their summer ideas—more parasols, hammocks, bistro tables and the like. They will send any of their merchandise by mail (though price depends on what it is and how far it is going) but they will send you their sheet of drawings free of charge to them at the address above.

Here are just a few of the summer ideas on offer.

Some of the cheapest, prettiest and lightest garden furniture



around is the French chestnut (inches diameter) is £19.50. The support can be tilted in any direction and the height adjusted and it fits the central hole found in some garden tables. Alternatively you can just stick it into the ground or sand (though be very careful about doing this in strong winds). With a diameter of 16 cm, a height of 240 cm, French green and the support price is £13.95. Personal post is enamelled to match the shoppers only.



Cooling off

IF WE really do have another very hot summer and you want to give the children some quick relief there are now very inexpensive, very easily erected swimming-pools available. Edenlite, one of our largest producers of aluminium greenhouses, has just launched a vast range of above-the-ground swimming pools. There are nine different sizes of which the smallest is called the Fill'n Swim Splasher and is photographed above. It has a diameter of 5 feet and is only 12 inches deep but it should help small children have some fun. It retails for just £5.98 and

can be found in most large garden centres. For a local stockist, if you have trouble tracking one down, write to Edenlite, Hawksworth, Swindon, Wiltshire—they will also send a brochure if you'd like one.

For those whose children are larger or who just want a larger pool, the largest of the above-ground pools (all of which are made from corrugated steel side walls with embossed vinyl liners and are meant to be put up by you, the buyer) is an oval one measuring 33 foot by 15 foot by 45 inches deep which sells for about £250.

Vintage British

I NEVER thought I'd live to see the day when I could visit a British vineyard, taste British wine and even buy a bottle from the local case if I so wished as well. Happily, the day has now come, though our vigneronists feel that our own government discriminates so unfairly against them, in comparison with their EEC counterparts, that most are obliged to charge something for guided tours of the estates.

Mr. J. L. Ward of Merrydown Wine company is one of the great authorities on British vineyards. Merrydown itself owns two vineyards and although both are small Merrydown is more than happy to show those interested round the vineyards, give them tastings and let them visit their shop where they boast of having a larger range of British wines on sale than can be found anywhere else in the country.

They seem terribly apologetic about charging visitors the princely sum of 60p but it seems very good value to me, as it includes the complete tour, the services of a guide, and free samples of English wine.

Bookings in advance can be arranged by writing to the Merrydown Wine Co., Horam Manor, Horam, Heathfield, Sussex, or by telephone: Horam Road 2254.

Pine for the future

Stuart Paisley found himself suddenly made redundant from a very well-paid job he knew he had to do something. He had three children to support and besides needing to earn some money he didn't like the idea of being idle. He thought of opening a restaurant or even running a pub but when his wife Wendy opened a bric-a-brac stall in a Wells street market he thought he'd try selling some of the sort of toys he had made for his children. They were a great success so he started making more.

The toys, which he still makes, were simple but universally appealing, boats and rattles, pull-along horses, dolls' cars and on—all made from natural wood, most in pine, all finished with a good varnish and very reasonably priced.

From there Stuart Paisley went on to make miniature furniture—small chests of drawers, display shelves, mug racks, cotton reel holders and a host of other small, charming and useful wooden pieces, all of which would come in handy in most people's houses. The prices seem

Cooking with Philippa Davenport

The exquisite foods coming into season now need the minimum of embellishment. Their flavours and textures are so delicate that it is all too easy to overpower rather than to enhance them. So, forget about rich and elaborate sauces; banish all thoughts of complicated cooking methods involving pungent spices, full-bodied wines, onions and other robustly flavoured ingredients. Let fine foods speak for themselves: the simpler the cooking method the better. Poaching, steaming and roasting (with an impeccable eye to temperature and timing, of course) will show off fine foods to full advantage, and small bowls of subtly-flavoured accompanying sauces will complement them admirably.

HOLLANDAISE SAUCE, foaming and creamy, goes beautifully with fish, poultry and lamb as well as vegetables and I'm indebted to Margaret Costa for the quick and foolproof method she gives for making it in her Four Seasons Cookbook (Sphere).

Melt 6-8 oz unsalted butter over gentle heat. Remove it from the heat as soon as melted; don't let it get oily. Thoroughly beat 3 egg yolks in a small heavy-based pan. Add 1 tablespoon of lemon juice, 1 table-

spoon of water or dry white wine and a good pinch of salt and beat again.

Add ½ oz cold butter; then set the pan over very low heat and cook, stirring steadily with a balloon whisk, till the yolks are creamy and beginning to thicken and to coat the wires of the whisk.

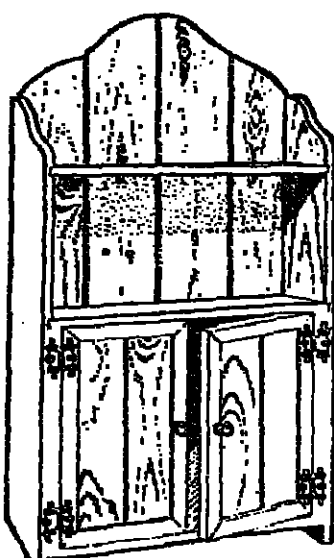
Remove the pan from the heat and beat in another ½ oz of cold butter. Then add the melted butter to the eggs, just as if you were using oil to make a mayonnaise—drop by drop at first and then, when the mixture is beginning to get really thick, more rapidly. Season the lukewarm sauce to taste and serve immediately or keep warm over a pan of hot water. It will keep for up to an hour.

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● There are some particularly nice little wall cupboards and shelves—ideal for cloakrooms and bathrooms, or even kitchens. This one, measures 28 inches high, 15 inches wide and is 5½ inches deep. Made from solid pine it has brass hinges and knobs. £21.10.

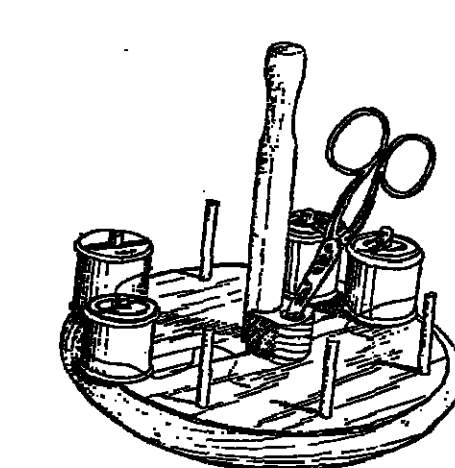
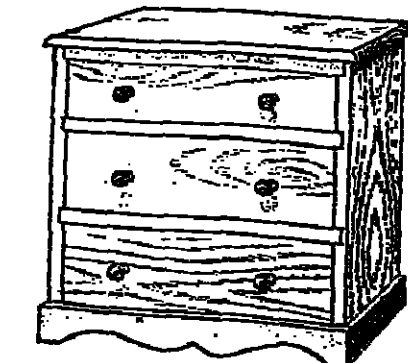
ENTERTAINMENT SERVICES

BARBARA GRAHAM for Music, Television & Radio. Arrangements for Concerts, discos, parties, etc. Tel: 01-235 5555.

HOME AND GARDEN

DOLLY HOUSES, hand-made & antique. Beautifully crafted, miniature furniture. Catalogue £5. The Dolly House, 25, Castle Street, Salisbury, Wiltshire. Tel: 01292 311111. 2111 Limes Grove, London, N.W.1. 01-723 1418.

Pine for the future



● Above: a pine cotton reel holder, which holds eight cotton reels, has a place for the centre for keeping a small pair of scissors. The base is 5½ inches in diameter and it costs £1.45.

● Left is one of the pieces that Stuart Paisley hopes will be kept and used as an antique of the future: a miniature reproduction Victorian pine chest of drawers—12 inches high by 10 inches wide by 5 inches deep, hand-made, with little brass knobs on the drawers. £14.45.

to me quite astonishingly good and the quality of the design is charming.

He produces a very well-illustrated loose-leaf booklet which shows clearly all the designs he does. Included are measurements, prices and all the other details you need to know.

If you'd like the booklet write to him (enclosing a 7p stamp): Puddingham Pine, Puddingham House, Sidcot, Winscombe, Avon.

In the meantime above are three of the illustrations from the booklet showing you something of the sort of thing he does.

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ARTS

RSC on the move

As the Royal Shakespeare Company creeps closer to moving into the Barbican, its first permanent London home since it arrived nearly 20 years ago, the signs of relief are almost audible.

At last the nightmare of workers' strikes, contractual difficulties and a threat that the most expensive arts complex in Britain might be cut short by its sponsors on the City of London Council have faded. So, too, have the spiralling costs which lifted the Barbican theatre from £10m, in 1969 to £14m, and the entire centre from £17m, to £58m. But there are still two years to go before audiences begin to pour into the 1,200-seat theatre, and even as the theatre structure and drills bore

of times they attended. But people weren't quite so keen to go to the Barbican to pick up their tickets. Only 20 per cent, said they would use the Barbican with office to get tickets compared with 34.7 per cent, at the Aldwych.

There was even the warning assurance by a small number of people that the move to the Barbican would increase their attendance. Added to this the RSC's belief that another potential audience is lying in wait—the people in the City.

The arts centre offers bars and restaurants, shops, a library, art gallery, conference hall, a home for the LSO and a cinema and the RSC wants to attract workers straight from their offices. There are around 350,000 commuters who work within a square mile of the Barbican who will be prime candidates for the RSC and at least 6,000 people living in the City. The Barbican flats and maisonettes alone house more than 3,000.

THEATRE

COLLEEN TOOMEY

Any mistakes other arts centres have made in the past with accommodating ears have not been made at the Barbican. Three car parks are being built for at least 300 cars and there are car parks nearby for a further 1,700. Public transport to the arts centre with three underground stations not too far away and at least two bus routes is reckoned to be more than adequate to pull in the thousands from all parts of London.

But before the audience trickles in, money takes a front seat. The RSC's cry for £1m, will undoubtedly not be the last. For such a monumental project to succeed will need a good number of benevolent leaders without that the arts centre could struggle on without ever fulfilling the description as "the most exciting thing we have seen since the building of St. Paul's Cathedral or Tower Bridge."

Money and construction problems are not the only worries the theatre has had to face. Audience loyalty has been the subject of much debate. Will the West End theatregoers trek happily to the City? How can the RSC persuade people to continue coming to their productions? Do people even know where the Barbican is? How will they get there?

"No problem," says Mr. James Sargent, the company's 42-year-old Barbican administrator. Last month the RSC published an audience survey carried out at the Aldwych Theatre by the Public of Arts Administration Course at the City University.

Nearly two-thirds of the people interviewed where the Barbican was, which isn't too surprising considering that 26 per cent of those interviewed were overseas visitors. A comforting 76.8 per cent, said that the RSC's new location would have no effect on the number



John Brecknock and Eiddwen Harrihy

Count Ory

We had all been missing the ENO *Count Ory* badly: there was general rejoicing at its return, on Thursday evening. The cast was well chosen, the action had been revived by Anthony Besch to a cracking briskness, and Peter Rice's glittering dwarf castle and fleur-de-lis backdrop looked predictably enchanting—may they last forever. Yet the house was less than full. Instead of musing once more on the popular misunderstanding that confers on this most perfect and mysteriously beautiful of Rossini's comedies the title of "connoisseur's opera," with all the slightly forbidding qualities the phrase may imply, let me rather press the claims of the show as the most delightful operatic entertainment currently in London.

Count Ory is that to the utmost a comedy in which the wit of situation is everywhere underpinned and advanced by the miraculous finesse of Rossini's score. But it is more. The castle of Fourmours, the "sejour calme et tranquille" whose praises the Countess Adele and her ladies hymn at the start of Act 2, swiftly becomes an Eden besieged by forces of subversion that lend a disturbing note to the riotous antics of the Count and his cavaliers in nuns' apparel.

If I have any mild criticism to make of the Besch production (and of Charles Brisson's lighting), it is that there is not fully registered in the action of the second act that quality of disturbance, that sense of enveloping darkness in a string of musical numbers that radiate an almost amoral beauty of sound. In this staging, and in John Brecknock's splendid playing, *Count Ory* is not a bold, bounding Lucifer; and his music suggests that perhaps he should be.

On its own terms, however, the evening gives continuous pleasure.

OPERA

MAX LOPPERT

The cast is strong especially on its female side. As Adele, Eiddwen Harrihy was making her Coliseum debut, perhaps not in her best voice—the top was hard under pressure, never free or gleaming. There is already much else in the performance—Miss Harrihy's ravishing way of joining all the notes of a line even a busily florid line into a seamless whole, the beautiful way she wears her costumes, her delicate sense of comedy—that promises a collector's item in due course. The Rayonde of Anne Collins is already that: formidable, the stardom never overflaring, the tone smooth and flowing. Memories of Patricia Kern as the page are still vivid; although Della Jones has not Miss Kern's imitatively creamy legato, her glowing, agile singing and alertly stylish playing happily justify the succession.

Mr. Brecknock returns to what one senses is his true *tenore di grazia* watering ground, after more than strenuous excursions that seem to have left shadows of unease on his once unconstrained highest notes (a frog crept in to spoil his contribution to the first half of the great waltz of the Count's lascivious importunities he makes less than of his broader touches of comedy, which are now excellent).

Brief words of praise for Harold Blackburn (the Tutor), Alan Opie (Rainaldus) and Sally Burgess (Alicia), and for a newly lively chorus. There is more of sheer beauty, of rhythmic spryness, of elegance in instrument, song and lightness in texture, to be won from the orchestra than David Lloyd-Jones at present manages; but his tempos are always considerate of vocal needs, and the singers reap the rewards.

Radio

† Indicates programme in black and white

BBC 1

8.55 a.m. Playboard, 9.10 The Flashing Blade, 9.35 The Record Breakers, 10.00 Ariol, 10.15 Trueman On Cricket, 10.25 The Secret Garden, 10.35 Margaret O'Brien, 11.55 Charlie Chaplin in "Behind The Screen", 12.28 p.m. Weather.

BBC 2

7.40 a.m.-1.55 p.m. Open University, 3.00 Saturday Cinema: "Kismet", 4.00 Saturday Cinema: "Kismet", 4.40 The Money Programme: What to do with \$100, 5.00 p.m. Theatre, 5.25 Arena: Theatre, 5.45 News, 6.00 News, 6.30 News, 6.55 News, 7.00 News, 7.25 News, 7.40 News, 7.55 News, 8.00 News, 8.15 News, 8.30 News, 8.45 News, 8.55 News, 9.00 News, 9.15 News, 9.30 News, 9.45 News, 9.55 News, 10.00 News, 10.15 News, 10.30 News, 10.45 News, 10.55 News, 11.00 News, 11.15 News, 11.30 News, 11.45 News, 11.55 News, 12.00 News, 12.15 News, 12.30 News, 12.45 News, 12.55 News, 1.00 News, 1.15 News, 1.30 News, 1.45 News, 1.55 News, 2.00 News, 2.15 News, 2.30 News, 2.45 News, 2.55 News, 3.00 News, 3.15 News, 3.30 News, 3.45 News, 3.55 News, 4.00 News, 4.15 News, 4.30 News, 4.45 News, 4.55 News, 5.00 News, 5.15 News, 5.30 News, 5.45 News, 5.55 News, 6.00 News, 6.15 News, 6.30 News, 6.45 News, 6.55 News, 7.00 News, 7.15 News, 7.30 News, 7.45 News, 7.55 News, 8.00 News, 8.15 News, 8.30 News, 8.45 News, 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ARTS/COLLECTING

Berne's festival

The annual jazz festival in Berne is not one of Europe's largest or oldest, but it is unquestionably one of the friendliest, smoothest-run, and most enjoyable, from both a listener's and a performer's viewpoint.

This year's, the third that the Swiss Federal capital has held, accurately mirrored the catholic tastes of the young, middle-aged, and, yes, some elderly, Bernese who welcomed the artists warmly and vociferously. A cynic might be tempted to dismiss this burning enthusiasm as lack of discrimination but this would be untrue and unjust.

Judging by the five concerts held in the 1,540 capacity main hall of the city's entertainment and convention complex, the Kursaal, and the after-hours sessions in a smaller hall of the same building, the Bernese tolerate and appreciate all jazz idioms except, perhaps, experimental and avant-garde, both unrepresented this year.

Indeed it is unlikely that these forms would ever be presented because Berne's festival has already assumed its own sharply defined character. This has evolved partly because of the known tastes of the Bernese and also because of the musical know-how of the seven-man committee responsible for organising the event. In charge of programming is Hans Zurburg, who is one of five representatives from the local Wolverines Jazz Club. He also plays trumpet in the club's band and remains one of the members of this non-profit making septet who are from the Berne Tourist Office. One of them, Marcel Grandjean, who handles all media relations for the festival, explained how it is financed.

For 1976, the first year, the culture division of the ubiquitous Swiss conglomerate Migros guaranteed the festival against a loss to a total of Sw.Frs.12,500. "In fact, M. Grandjean told me, "we made a Sw.Frs.10,000 profit."

The Migros guarantee increased in 1977 and there were guarantees from other organisations in Berne. "Actually," recalls Grandjean, "we made a loss last year but for tactical reasons we decided not to take up the guarantee. By taking this step we were in a stronger position for this year's festival."

This admirable, independent stand paid dividends because the Migros group decided for the first time to contribute cash—Sw.Frs.6,000—with no conditions attached. With other Bernese organisations contributing various amounts plus a welcome deficit guarantee from the Canton of Berne worth Sw.Frs.10,000 this year's festival was the most ambitious so far.

And the Berne Seven has no doubt about the type of musicians it wants. Inevitably, Americans form the bulk of the invitees (the several Swiss bands



Earl Hines

Waller, but no mere imitation. Centrepiece of this concert was Wild Bill Davidson's United Europeans which included three British delegates, pianist Fred Hunt, trombonist Roy Williams and reedman Johnny Barnea. All three, new names to Berne, predictably made a major impression.

Leader Davidson, almost the patron saint of the festival, was in cracking form on cornet, hitting the high notes with amazing confidence and accuracy.

Bud Freeman, feather-toned as ever on tenor, and Peanuts Hucko, a cultured clarinetist, were other featured guests but it was another pianist, Ralph Sutton, who set the ears quivering with his dashing stride playing.

The concluding evening, sadly not the best attended, had Earl Hines and his troupe (recently seen in London) sharing the concert with trumpeter Harry "Sweets" Edison and tenorist Eddie "Lockjaw" Davis. The 1978 Berne Festival heroes, bassist Leonard Gaskin and drummer Oliver Jackson (what a superb timekeeper!), who merited extra reward for their undying consistency and sheer hard work, plus Hines were the backing trio for the former Count Basie side-men. In terms of sheer quality, the music heard from these two was well-nigh unbeatable.

Edison, his mute stuck firmly in the bell of his horn, in full control, blowing exquisitely and sweetly; his partner Davis, a tenorist of full tone and gorgeous warmth, providing the startling contrast. This was timeless jazz played with expertise and thorough conviction.

So, too, was that heard earlier in the festival from Stan Getz, who continued to feature heavily the compositions of his pianist, Andy Laverne. For the festival valve-trombonist Bob Brookmeyer was a surprise and welcome bonus. It was during this set that one of those spontaneous happenings festivals thrive on occurred when Getz coaxed from the audience his former pianist Chick Corea and persuaded him to sit on some numbers. Their co-operation on the Billy Strayhorn ballad "Lush Life" was masterly; melancholy, the lyrics almost being sung by Getz' lyrical tenor; a reading almost impossible to fault.

Strangely Getz felt no similar urge to invite guitarist Charlie Byrd, remembered for his jazz Samba LP with the tenorist in the early 1960s, and who earlier in the concert had played immaculate acoustic guitar.

Getz, Hines, and Byrd were special, one-night-only guests. Most of the others were prolific, all five-day residents who, as well as appearing in the Kursaal halls, also played at the day-time open-air sessions on the covered bandstand in Berne's wide, traffic-free Bärenplatz. On only one occasion did the organisation seem to miss a beat: that was one night when the featured singers and musicians from the concert were also the only after-hours participants. But this was exceptional. Concerts did not drag on too long or too late; the sound system was almost always excellent, and everyone, especially the musicians, genuinely enjoyed their Berne experience and that, in the final reckoning, is what jazz — and jazz festivals — is all about.

Denim airwaves

Take the Joneses, a typical middle-class London family with two teenage children. Both kids have transistors; there's a radio-tuner with stereo speakers in the living room; another transistor in the kitchen; and perhaps yet another one in the parents' bedroom. There are, incidentally, more radio sets in Britain now than people. The Joneses are thus peculiarly well equipped to catch anything that may be going on radio at any time of the day or night because, of course, they also have powerful radio equipment in their cars.

Whereas the whole family watches roughly the same television programmes (with perhaps a male bias towards Match of the Day and Pot Black) there is a clear generation gap in their regular radio-listening. Mum and Dad still like Today and Up to the Hour at breakfast, and for most of the rest of their listening prefer Radios 2 and 4; Auntie Maud when she comes continues to tell them how good BBC Radio London is, but no one else seems

Sharp said, introducing the speaker from the chair, "an incredible success story." All the present nineteen contractors are now trading profitably, though two or three still have unabsorbed losses; Mr. Thompson reckons that all of them should be moving into true profit within the next two years.

More significant perhaps has been the universal acceptance of the independent stations in the mind of the public. In London, Manchester, Glasgow, Belfast, Swansea, Stockton, Ipswich, Plymouth and elsewhere they are palpable facts of life. "Their car-stickers," Mr. Thompson declared, "are on many a windscreen, their catch-phrases now part of the language, their jingles imitated in the nursery, their slogans accorded our usual native mixture of mockery and flattery by repetition; and also their usefulness has been proved."

It is on that last point that the controversy turns. Has it been proved? In one area, yes—the regular broadcasting of information. In a traffic jam we all turn to our nearest radio station to try to find the best way out of the block. And it is good to have stations where local issues are given the lion's share of time. From this point of view, the smaller the station, Radio Orwell, say, which serves the Ipswich area, the greater its usefulness in pin-pointing pertinent local activities and providing access for members of small communities to represent a wide spectrum of opinion. Even the interminable phone-in programmes with the banalities they inspire have their usefulness. There are, too, some oases in the desert of pop music. Capital has currently a series on literary masterpieces with emphasis on O-level texts and contributions from well-known figures such as Denis Potter on *The Mayor of Casterbridge*.

RADIO

ANTHONY CURTIS

to be able to find it on the tuner; it is the two children who are completely sold on Capital and LBC. They have these stations on incessantly and obtrusively, even when they are supposed to be doing their homework or in bed asleep. They enjoy the ads and sense of being "distracted from distraction by distraction."

Independent Local Radio has, since it started a few years ago, allowed the major part of its programme content to the aural appetite and lifestyle of this generation; the more intensively it has done so, the richer have been its financial returns. "Denim radio or radio in jeans" was how John Thompson, the Independent Broadcasting Authority's Director of Radio characterised the style of the output in a lecture he gave on Wednesday at the Royal Society of Arts in London on "Broadcasting in the Market Place." Mr. Thompson was not himself in jeans for the lecture; he was in a discreet dark-blue suit and he gave an urbanely confident account of the progress of Independent Local Radio, ending with the plea that it should now be "expanded to provide a service for over 80 per cent of the United Kingdom, with the finance coming primarily from advertisements." Certainly what has been achieved in the past two and a half years is, as Baroness

EXPERIENCE AND EXPERTISE... 340

Sale, Thursday, May 25, at 2 p.m.

Every few years fashion produces an extravagance that brings on itself a reaction. Modern examples include the all-beaded dresses of the mid-1920's, drain-pipe trousers, the balloon skirts of 1958.

In the early 18th century, when women's fashions were dominated by material rather than cut, it was the men who changed the style of their clothes most frequently. In about 1735, a fashionable man's cuffs, which had been growing for a generation, reached the size of a large omelette pan before sinking again to normality. Like most elaborate fashions examples are very rare. On 25th May two such suits are being sold at Christie's South Kensington. One is of mushroom silk with blue and silver brocade cuffs of gargantuan size. It belongs to the Earl of Starke. Its Scottish origin is betrayed by the extravagance of the cuffs rather than the coat.

For further information on this sale of Costume, Embroidery, Fans and Textiles, please contact Susan Mayor at Christie's South Kensington, 85 Old Brompton Road, London SW7 3JS. Tel: 01-581 2231.

Spencers OF RETFORD

William Holman, "Dividing the Future" Exhibited at R.B.A. 1985. To be sold on May 17th

FORTHCOMING SALES

WEDNESDAY 17th MAY

The remaining contents of Abbeylands, Stackhouse, Settle, North Yorkshire, including good silver, furniture, paintings, and oriental works of art. On the premises.

THURSDAY 18th MAY

Georgian and later silver, furniture, paintings, and oriental works of art. On the premises.

WEDNESDAY 24th MAY

Georgian and later furniture and works of art; art nouveau and art deco including figures by Chiparus and Godard; a Lalique glass figure—Reford Salerooms.

THURSDAY 25th MAY

Coins, medals, stamps, postcards—Reford Salerooms.

THURSDAY 1st JUNE

The Dolman Collection of Greek, Roman, Anglo-Saxon, Norman Medieval and later coins—Reford Salerooms.

FRIDAY 2nd JUNE

Toys, dolls and collectors items—Reford Salerooms.

TUESDAY 6th JUNE

The remaining contents of Tickton Grange, Near Beverley, North Humberside. On the premises.

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EXHIBITIONS

BUXTON ANTIQUES FAIR, Pavilion Gardens, Buxton, May 13-20. Div. inc. Sat. 11.30-5 p.m.

APOLLO

Edited by Denys Sutton

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South American ways

STRICTLY speaking, Brazil was the fourth country to have adhesive postage stamps but if we discount the private issues of the New York City Dispatch (1942) and the Swiss canton of Zürich (March 1943) Brazil ranks immediately after Great Britain in adopting this system for nationwide postal services.

Credit for this rests mainly with J. D. Sturz, a Brazilian of German descent, who spent some time in Europe in the early 1840s, mainly as Brazilian Consul in Berlin. On a visit to England in 1841 he was greatly impressed by the efficient workings of the Post Office and the use of the Penny Black and the Twopenny Blue and on his return to Rio de Janeiro later that year he put forward proposals for the introduction of stamps in his own country. In this matter he was assisted by the British Charge d'Affaires in Rio and in November 1842 the Brazilian Government enacted

the decree authorising the introduction of stamps.

Quite by chance, the Brazilian Customs discovered an engraving machine being imported by a certain Pedro Ludwig and promptly confiscated it. It was later sent to the Rio Mint and there used for the production of the dies of the first three stamps. The postal decree of November 1842 authorised the issue of stamps in denominations of 30, 60 and 90 reis to cover the basic inland rates. At first the idea of portraying the youthful Emperor Dom Pedro was mooted, following the example of the British stamps, but the director of the Rio Mint regarded the obliteration of the imperial effigy as virtual lese-majeste and rejected the idea.

In the end, a purely functional motif was selected, with the figures of value on an oval background bereft of any inscription. Their curious appearance led to the first stamps being nicknamed the "Bulls' Eyes." All three values were printed in black on papers of various qualities. The earliest printings consisted of plates of 54 stamps, 18 of each value in three panes.

The panes were supposed to be cut apart prior to sale, but mint vertical pairs of 30 and

60r stamps side by side have been recorded, while a strip of three used stamps, comprising two 30r and one 60r, was formerly in the collection of Charles Lathrop Pack and fetched £11,500 when it was sold at a Stanley Gibbons auction in February 1969.

Large sheets of the 60r alone were also produced and the late E. W. Mann, an authority on the early stamps of Brazil, proved by plate reconstruction that two plates of 60 subjects were used in addition to the pane of 18.

STAMPS

JAMES MACKAY

Incredibly, Mann's theory was proved correct only in fairly recent times when a complete sheet of 60r stamps turned up after a century. It passed into the famous De Souza collection and was sold at Harmer's in 1965 to an anonymous millionaire philatelist whose own incomparable collection comes under the hammer in Frankfurt next week.

Although the 60r sheet is the star attraction it is believed to be the only known complete sheet of any of the world's great

classic issues of the 1840s—the "Rio" Collection comprising the issues from 1843 to 1865 is one of the finest one-country studies to come on the market and is replete with choice items which formerly reposed in the great collections of the past. There is, for example, a block of 18 of the 60r nicely postmarked at Cidade de Nieheroy—the largest known multiple of this stamp in used condition and at one time in the Burrus collection.

The original stamps were printed on stout paper which was easy to remove from letters and thus encouraged people to re-use them. New stamps on very thin paper were ordered in 1844 and were known to collectors as Los Indinados, from the sloping numerals of value. In recent years, however, a sort of the same analogy as the Bull's Eyes has been applied, and these stamps are now known as the Snake's Eyes, the fine pattern of engine-turning in the background being said to resemble the eye of a reptile.

A third series, also printed entirely in black, appeared in 1850 and was known as Goat's Eyes and a fourth, printed in blue from 1854 to 1866, was nicknamed the Cat's Eyes. Like

their English contemporaries the Brazilian stamps continued to appear without any country name. In July 1866 the numeral stamps were replaced by a series portraying the Emperor Dom Pedro II, by now a full-bearded man of mature years.

The Rio Collection has concentrated on these numeral issues. The printing plates were made of copper which wore out rapidly, necessitating frequent retouches or wholesale re-engraving. This, together with the various types and quality of paper used, has given rise to a formidable volume of varieties to delight or exasperate the student and these form the bulk of this remarkable collection.

Considering that the majority of the stamps were printed in black the collection is enhanced and enlivened by the wealth of postmark material, the Brazilian post offices favouring a wide range of coloured inks for this purpose. There are also numerous covers and entires, mainly addressed to Germany, where Brazil had close trading ties, but including several to Britain. The collection, handled by Stanley Gibbons Merkur GmbH on Thursday, May 18, is estimated to fetch upwards of £350,000.

The weathermen

decorative art and design, in which both men excelled.

Boulton (1728-1809), a hardware manufacturer, was noted for the high quality of his silver, Sheffield plate, ormolu and other metal work, the new factory he built at Birmingham in 1762 soon becoming the industrial show piece of the district. Justin Vulliamy (1712-1797), was a Swiss who settled in London about 1730, becoming clockmaker to George II in 1742. His workshop also produced some remarkable barometers, many intricately decorated with "rich carved ornaments gilt in burnish gold."

Vulliamy's instruments were made in collaboration with a first rate cabinet-maker and this is another of Mr. Goodison's interests. He is hon. treasurer to the Furniture History Society and hon. keeper

of furniture to the Fitzwilliam Museum, Cambridge.

English Barometers 1680-1860 is a tour de force of research and scholarship, based on primary reference sources and the study of over 4,000 barometers in museums, private collections and antique shops up and down the country. Mr. Goodison's advice to collectors is "always to go for quality, and study the market." He keeps track of what goes through the trade, and is always on the look out for bits added on or taken off. For instance, the original movement, that is, face, hands and backplate of an 18th century barometer may remain, but all the wheels could have been replaced in the 19th century. While of the opinion that no reproduction can ever truly match the original—the woods, gilding processes, etc., are all different now—but as a marking man I appreciate that if someone produces something good, which will sell, then it is to be commended."

This is my cue for describing the work of Robert Mitchell, craftsman extraordinary who is a great admirer of Mr. Goodison's expertise, and freely acknowledges his book as his

Bible. Mr. Mitchell began by repairing barometers, and progressed to reproducing a Quare after being struck by the quality of workmanship of one of the few originals in the City survey by Edwin Banfield (22 Quare (1649-1724), was one of the most eminent watch and clockmakers of his day, who also made mathematical instruments and barometers).

Mr. Mitchell takes infinite pains to approximate to the old materials, using bleached and faded 100-year-old walnut, and does all his own brass castings. A Admiral Fitzroy, the admiral, Quare takes him a month to make, and he has sold several to collectors in the U.S.

Now that Garrard's are marketing a 150 limited edition of Quare at £425 each (made by the Elliott of London, a family member of clockmaking and accessory business founded in 1886), fished his *Weather Book*, and Mr. Mitchell has switched to although he is acknowledged as an expert on Thomas Tompion (1638-1713), weather conditions (he did one of the most famous and best forecasts for *The Times*), there of English clockmakers. Extant was some argument over his instruments by Tompion are rare, the only known genuine examples being the three which survive in the Royal Collections. If you want a hand-crafted don't let the weather get you down!

Mitchell, Wintonville, Wallsworth Hall, Sandhurst, Gloucester and he will send details and photographs. For a leaflet on the Garrard limited edition write to D. W. Belton, Garrard and Co., 112 Regent Street, London W.1.

For an easy-reference pocket-guide, I recommend *Antique Barometers*—an illustrated survey by Edwin Banfield (22 Quare (1649-1724), was one of the most eminent watch and clockmakers of his day, who also made mathematical instruments and barometers).



Left: Tompion barometer recreated in detail by Gloucestershire craftsman Robert Mitchell.

Saturday May 13 1978

Holding up well

THERE IS sometimes much to be said for leaving the financial markets to adjust themselves to events without pushing or urgent guidance from the monetary authorities. Certainly the absence of guidance can lead to temporary uncertainty. Last week, when the discount market was left free to make up its own collective mind about the proper level of Treasury bill rate and Minimum Lending Rate rose to only 8½ per cent. instead of the expected 9 per cent., there was a widespread feeling that equilibrium had not yet been reached. Only when interest rates reach a level from which they seem more likely to fall than rise can the Government sell stock to the public on the scale which is needed to cover the public sector borrowing requirement in a non-inflationary fashion.

CBI gloom

Output costs have continued to rise but at a declining rate: the latest figures, however, suggest that the decline may have levelled out with the rate still over 8 per cent. a year. More worrying, because it is a longer-term indicator of future inflationary trends, is the fact that the average price of raw materials paid by industry has stopped falling and has recently begun to rise quite fast. Much of this change is due to the fall in the exchange rate of sterling, which the Bank of England—hence the sharp fall in last month's official exchange reserves—has now broken.

Letters to the Editor

Skateboards

From Mr. L. V. Hall

Sir—A lot of youngsters (and many parents) will be let down if the U.K. skateboard industry fails (May 8), and I agree that the only way to ensure its future is to provide good facilities. Where would sports like ice-skating be today if rinks hadn't been built, or dingly sailing, if facilities on reservoirs all over the country had not been developed?

The skateboard business in 1977 was based mainly upon the sale of relatively cheap plastic boards to kids riding in the streets—and these have served to introduce them to the sport, but it is only when they experience riding in a purpose-built skateboard arena that the real skills and thrills of the sport are realised.

However, to be able to perform in such arenas, the more expensive (but far superior) skateboards are essential: thousands of youngsters have already purchased the better-quality equipment as their "second buy," and having done so, are only interested in using them in the properly constructed arenas—that means bowls, banks, moguls, verticals, half-pipes, etc., and most important in our climate—indoors!

As a parent of a couple of sons who are keen skateboard riders and who travel from Huddersfield to Halifax for about 15 sessions per month (not per year), I wonder if something is not quite right about the Skate-city concept.

Real skateboard riding is too good a sport to miss out on, it has all the ingredients of balance, daring, skills, thrills and spills which youngsters need at that age. It can, of course, be dangerous, especially when kids are trying to do on the streets the stunts they see the experts doing in magazines; but practised seriously, it develops self-confidence—and it takes courage: is it significant that I've never seen any sign of

Budget. The main factor holding back output is a shortage of demand, and employment of unskilled workers is expected to fall over the next few months: almost the only bright spots are the greater steadiness of costs, which presumably antedates the latest wholesale price indices, and the firmness of capital investment intentions, which could still be affected by monetary uncertainties. It is not surprising that the CBI has used this survey to back its campaign for greater direct tax cuts offset by a general rise in VAT.

Money supply

The changes in the Finance Bill which the opposition parties have forced through this week—up of the standard rate and a raising of the levels at which the higher rates of tax begin—are the first of the monetary troubles with which the markets have had to contend this week. Lower taxes are all very well, but until the Government takes some counter-action they can only increase a borrowing requirement which is already regarded as being on the high side. That is by no means all. The latest bank statistics suggest that the money supply may have risen sharply in the last month of 1977-78, despite the outflow of foreign exchange. The Bank of England has had to admit (on the day that officials from the International Monetary Fund arrived for their latest check on U.K. progress) that its seasonal adjustments of the monthly monetary supply figures have been faulty and that the rise over the first 11 months was a point higher than supposed. Added to this, the U.S. Federal Reserve has reacted to a sharp increase in U.S. money supply figures and the recent rise in short-term interest rates by increasing its own official discount rate.

Yet for all this bad news and all the rumours, the markets have remained reasonably firm, and yesterday M.L.R. rose by the smallest amount envisaged by anyone, to 9 per cent. It must be assumed that the markets have already discounted the poor money supply figures to be published next Thursday. The announcement yesterday of another issue of short-dated stock suggests that the authorities think the present level of short-term rates about right and that Monday's trade figures will not be too bad. Once rates seem to have reached a peak, moreover, the Government may again be able to sell a good deal of stock on a slowly rising market.

Belgian post . . .

From the Director, Public Relations, The Post Office.
Sir—While I am sorry about the delays Mr. Stollenwerk (letters May 8) is experiencing with his mail from Belgium he is wrong to place the blame on the British Post Office.

The fact is that over the past few months there have been a series of industrial disputes entirely outside our control, which have affected mail to and from Brussels.

For example, Mr. Stollenwerk mentions two letters posted on April 24 and 25. These items were undoubtedly delayed by a strike of ground-handling staff at Brussels Airport during April 20-26 and a postal strike in Belgium on April 28 to May 1.

Yours faithfully,
R. W. Pittman.
23, Houlston St., W.1.

... and French
From Mr. Michael C. Lelliott.
Sir—May I suggest that your correspondents who have experienced delays with letters from Belgium ask the senders to go into France to post their letters.

Last year I posted a letter some 50 miles north of Lyons, in a hillside village, at 12.30 p.m. on a Saturday. On the Monday, 48 hours later, it was on the desk of a colleague in Eastbourne.

Had the letter been posted in Eastbourne it would still have been in the post box on Monday morning.

Michael C. Lelliott.
18, Woodcroft Drive.
Little Ratton, Eastbourne.

Remedies
From Mr. R. W. Pittman.
Sir—A local Reigate businessman in a letter (May 4) expressed his dissatisfaction for delay in his express letter deliveries to an address in Belgium.

As chairman of the Reigate, Redhill and District Post Office Advisory Committee I immediately brought his letter to the attention of the head postmaster, Redhill, who in turn wrote to the complainant that

THE STORY of Lonrho's relationship with the British Government seems to have come full circle. Almost exactly five years ago Mr. Edward Heath made his famous comment in the House of Commons, when asked about the Boardroom row then raging inside the company, that it was "the unpleasant and unacceptable face of capitalism." A few days afterwards the Conservative Government called for an inquiry into the company by the Department of Trade inspectors.

Yet three years later Lonrho was regarded as a perfectly acceptable partner for the Department of Industry in rescuing bankrupt enterprises: a take-over bid which seemed certain to be referred to the Monopolies Commission was unexpectedly cleared; and Mr. Tiny Rowland, chairman of the company, was having amicable discussions with the Foreign Office about Rhodesia.

In the last few days the wheel has turned again. On Thursday it became known that Fraud Squad officers had asked Lonrho to produce certain documents relating to matters involving alleged sanctions-breaking in Rhodesia. By a remarkable coincidence, this news leaked out at precisely the moment when the Government was trying to decide whether to refer to the Monopolies Commission Lonrho's bid for Scottish and Universal Investments (SUITs). Yesterday the Secretary for Prices, Mr. Roy Hattersley, announced without explanation that the bid was being referred.

In view of its subsequent expansion it is easy to forget that back in 1973 Mr. Rowland's control of Lonrho was very much in question. Eight of his fellow directors were seeking to remove him on the grounds of "financial irresponsibility," which, they said, had led to two liquidity crises since 1970. But Mr. Rowland received an overwhelming vote of confidence from his shareholders and the eight dissident directors were sacked. Even the Department of Trade report, when it finally saw the light of day in 1976, did little apparent damage either to Mr. Rowland or to the company. It certainly added to the Lonrho folklore, describing Mr. Rowland as "a man who has vision, negotiating ability, determination, and personality in unusual measure, coupled with unbounded energy to apply his talents. He has a determination to get his way and it is manifest that when he decides he wants something events move at great speed."

But although the report criticised several specific transactions in which Mr. Rowland had been involved (including certain mining developments in Rhodesia, where the inspectors thought he had been "more closely involved than was consistent with the terms of U.K. financial difficulty and the delay inherent in a Monopolies Commission reference might make matters worse. But Dunford's position was hardly critical. The Government's decision not to refer the bid was widely regarded as irrational. It almost seemed as though Lonrho, far from being "unacceptable," was being given specially favourable treatment.

Further evidence of the improving relationship between the Government and Lonrho, and in particular Mr. Rowland, became apparent when Mr. Rowland engaged in discussions with Mr. David Owen, the Foreign Secretary, about the Rhodesian settlement.

This was a period when Lonrho was building up its U.K. business by acquisitions, in a variety of different industries. None of these bids had raised obvious monopoly problems, but in view of the Government's known willingness to refer to the Monopolies Commission conglomerate bids which lacked "industrial logic," there was a fair chance that Lonrho might run up against this hurdle sooner or later.

The opportunity for such a reference arrived at the beginning of last year. Lonrho announced an agreed bid for Dunford and Elliott, one of the leading Sheffield steel companies which had been fighting off for some months an unwelcome offer from its larger neighbour, Johnson Firth Brown.



Men in the SUITS' bid: Sir Hugh Fraser, who supports the Lonrho bid (left), Mr. Tiny Rowland (centre) and Prices Secretary Mr. Roy Hattersley, who referred it to the Monopolies Commission.

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This correspondence does however emphasise the points I made in my letter, some time ago to your newspaper, that if anybody whether in business or in private capacity has a complaint concerning local postal or telephone services referred to the head postmaster or telephone manager it will bring immediate response.

If the reply does not satisfy the complainant or if the matter raises wider issues concerning local postal/telephone services (the reference should be made to the POAC who can consider the case in depth and if necessary where the issue is of some national importance refer the matter to the Post Office Users National Council.

R. W. Pittman.
Copper Beeches, Red Lane, Linslade, Oxford, Surrey.

Societies
From Mr. T. Robertson.
Sir—I was somewhat disappointed, not to say perturbed, by part of what Michael Cassell had to say in his lead article in your survey "Building Societies" last Saturday.

Dealing with the "Grays affair" he goes on to say that many executives would like to see a rapid contraction in the number of building societies. I understand that many of the smaller societies share this view and, with a blameless record, wish to amalgamate, but naturally they wish their respected names to be preserved.

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Further evidence of the improving relationship between the Government and Lonrho, and in particular Mr. Rowland, became apparent when Mr. Rowland engaged in discussions with Mr. David Owen, the Foreign Secretary, about the Rhodesian settlement.

This was a period when Lonrho was building up its U.K. business by acquisitions, in a variety of different industries. None of these bids had raised obvious monopoly problems, but in view of the Government's known willingness to refer to the Monopolies Commission conglomerate bids which lacked "industrial logic," there was a fair chance that Lonrho might run up against this hurdle sooner or later.

The opportunity for such a reference arrived at the beginning of last year. Lonrho announced an agreed bid for Dunford and Elliott, one of the leading Sheffield steel companies which had been fighting off for some months an unwelcome offer from its larger neighbour, Johnson Firth Brown.

This correspondence does however emphasise the points I made in my letter, some time ago to your newspaper, that if anybody whether in business or in private capacity has a complaint concerning local postal or telephone services referred to the head postmaster or telephone manager it will bring immediate response.

If the reply does not satisfy the complainant or if the matter raises wider issues concerning local postal/telephone services (the reference should be made to the POAC who can consider the case in depth and if necessary where the issue is of some national importance refer the matter to the Post Office Users National Council.

R. W. Pittman.
Copper Beeches, Red Lane, Linslade, Oxford, Surrey.

Societies
From Mr. T. Robertson.
Sir—I was somewhat disappointed, not to say perturbed, by part of what Michael Cassell had to say in his lead article in your survey "Building Societies" last Saturday.

Dealing with the "Grays affair" he goes on to say that many executives would like to see a rapid contraction in the number of building societies. I understand that many of the smaller societies share this view and, with a blameless record, wish to amalgamate, but naturally they wish their respected names to be preserved.

need to maintain a balanced distribution of industry and employment. It can be argued that this implies the desirability of maintaining, in areas like the North-East, the North-West and especially in Scotland, strong, locally-owned companies which have their own head offices, senior management and the ancillary services that they require. If too many of Scotland's major companies are controlled south of the Border, this will adversely affect the social and economic fabric of the area.

Finally there was some concern over the possible change of ownership in House of Fraser, which had been the subject of a Monopolies Commission reference once before, when Boots tried to buy it.

None of these four grounds for anxiety were crucial in themselves, but it seems that, taken together, they inclined the Government towards a reference. Critics might say that they provided a respectable clothing for what was essentially a political decision.

Mr. Rowland is understandably aggrieved at the decision and the unexpected revival of the Rhodesian sanctions-breaking issue has added salt to the wound.

The outcome of the Fraud Squad inquiries is, of course, impossible to predict, but Mr. Rowland has no intention of giving up the fight for SUITS. He intends to argue the case before the Commission (which has been given six months in which to report) and he is confident that the deal will be cleared.

His confidence may not be misplaced. For just as the reference itself was very much a borderline case, the Commission may well conclude that this deal is no more objectionable than other conglomerate mergers which it has cleared in the past few years.

Much will depend on Lonrho's ability to demonstrate that the companies which have benefited from becoming part of the Lonrho empire. This is not just a matter of direct commercial advantages, like the steel order from Volkswagen which Lonrho is said to have secured for Dunford and Elliott (Lonrho owns Volkswagen (GB), the British distributor of Volkswagen vehicles). The Commission will be more interested in Lonrho's approach to the management of its subsidiaries and their financial performance before and after they joined the group.

For Lonrho, the Commission investigation provides a splendid opportunity for achieving general acceptability. If its management methods and its performance are given a clean bill of health, then this controversial company may at last succeed in shaking off the criticisms that have been thrown at it over the years and take its place as a pillar of British capitalism.

Prospects for a settlement

A meeting between the two men took place in June 1977 at which Lonrho's case against the oil companies, alleging sanctions breaking in Rhodesia, and the prospects for a Rhodesian settlement were discussed.

Mr. Rowland said later that as a result of this meeting Mr. Thomas Bingham QC was appointed to head an inquiry into the sanctions-breaking charges brought against BP, Shell and other oil companies. "That inquiry was set up because of me," said Mr. Rowland.

He added: "Dr. Owen was trying to understand the problems and he knew that I had been able to fly Mr. Ian Smith to Lusaka and that I was fairly well informed about what was going on. Also most of the nationalists are close personal friends. I felt I had a part to play and wanted to be helpful."

In the meantime Mr. Rowland's take-over activity continued. In March last year Lonrho bought its initial 24 per cent. stake in SUITS from its then chairman Sir Hugh Fraser for around £7m. cash.

The deal with Sir Hugh Fraser was criticised at the time by some institutional shareholders who felt that the sale had precluded a possible outright bid for the group. Lonrho subsequently increased its stake in SUITS to 29.24 per cent. In addition it also acquired a strategic 19.38 per cent. holding in the House of Fraser, the retailing group which owns Harrods. SUITS also holds a stake of over 10 per cent. in Lonrho's bid for SUITS succeeds, its holding will be increased to just below the 30 per cent. level at which, under Take-over Panel rules, it would have to make a full bid.

One point was that Lonrho had been growing very rapidly by acquisition. Was it in danger of over-stretching itself? Perhaps the Monopolies Commission should take a long, hard look at the company, too see how the earlier acquisitions were being digested and whether the management resources to handle another large bite were adequate.

Another sensitive issue concerned the newspapers which SUITS controlled. Was it in the public interest that this important chain of Scottish newspapers should be wholly-owned by a large, international conglomerate?


A third issue which was apparently given some weight by the Government might be called the "head office" argument. One of the considerations in merger policy, laid down in Article 84 of the Fair Trading Act, is the

upon a desire to save the taxpayers' money. As Garrison Commander at Aldershot from 1969 to 1972 I had first-hand knowledge of the excellent work done by Mr. Chapman, and of the opposition he encountered from his superiors in Whitehall. R. S. N. Mans, Kirkby House, Swan Road, Brocksburn, Hants.

Rating
From Mr. David Arthur.
Sir—Your correspondent Brian Hill (May 8) raises some interesting issues, but one proposal he advocates is quite unacceptable. That is to assess domestic rateable value on the freehold selling value of the property. This is unacceptable for two reasons: firstly, because selling values are influenced by market forces and irrelevant factors such as availability of building society loans, and secondly—and in my view more importantly—because it would perpetuate the absurd and unjust situation whereby a householder who improves his own property at his own expense has to pay more for the privilege of doing so. Any new rating system must abolish this anachronism.

David Arthur.
Prospective Liberal Parliamentary Candidate, Hendon North.
10, Pasture Close, North Wembley, Middlesex.

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BY JOHN LLOYD

Heretic

The grass will grow
And the cash flow.

But 1977—though rather simi-

The leaders in the hand tool market are the Birmingham company, Spear and Jackson.

But one of the more dramatic events of the past year in the industry seems likely to ensure either that Wilkinson increases its dominance, or that it challenges Spear's lead — depending on which manufacturer is speaking. Earlier this year Wilkinson conducted the purchase of True Temper, the garden equipment subsidiary of

Lightweight

Qualcast, which had been accustomed to leading the power tool market, struck back. In 1969, it launched, as it now cheerfully admits, an exact replica. The two giants of the lawnmower market slogged it out with their identical models until 1971, when the Concorde was launched.

The Concorde name did not

It is a not inconsiderable market to squabble about. From a low of around 800,000-900,000 sales in 1976 (Mintel, the market research organisation, estimates m., but this is probably high) the market recovered to around



However, the patent for the Flymo hover mower runs out in March, after 16 years. Al-Jabadi says that Black and Decker and Qualcast are "hoping their own hover-mowers," and it reckons they will have them on the market by next year. Qualcast and Black and Decker will not tell. "Flymo doesn't care. 'After 16 years in the business, if we can't beat off a challenge, we shouldn't stay in it.'"

Powdered trimmers and clipper, and cultivators are the

The celebrations of 1978 will have a new flavour. Already the three international camping sites are filling up and if you're in a Woodford-bound Central

Driving need

Shipton's figures are applied to BSM then there are 1,000 people each year who will buy a car similar to the one they were taught in. That is similar to the vehicle in the BSM fleet. Even taking the more conservative motoring school association figures there is still a sizeable surplus and used car market available to the manufacturer that applies the cars for BSM's fleet. If Dorinda succeeds with the BSM fleet, the Ford and the BSM fleet will have the lead in the running on the BSM new car market. On Thursday British Leyland entered the arrangement with British Leyland for the supply of vehicles for its fleet for the next five years.



in the Times of March 20, 1933.

"SEVEN PER CENT. COTTON LOAN OF the Confederate States of America for \$3,000,000 maturing at 90 per cent." the advertisement was headed. It invited on to offer the following terms to bond holders.

Interest would be payable immediately at 7 per cent per annum in London, Paris, Amsterdam and Frankfurt, and the bonds would be redeemable par in 20 years through the Confederate agents J. Henry Schroder. The main "bait," though, was an unusual cash-for-bonds provision.

The bonds could be changed at 80 days' notice for cash at the rate of 65 a pound which would give 4,000 lbs of

Seidler, who presides over BASF's empire, is well-equipped for the job. Like his counterparts at Hoechst and BASF, BASF's two rivals, he is a German with his roots firmly in his industry. A chemist, he started his career in the group's research laboratories at Ludwigshafen headquarters in 1911—23 years later he was elected chairman of its executive board. When the reputation he took over has been the reputation of being the most domestically oriented of "big three" when it comes capital investment. Currently, only about 12 per cent of its total investment is abroad (a far smaller figure, say, than General Electric's). So Seidler's 25 per cent. Prof. Seidler

Contributors:
 Ian Forrest,
 Harry Ogg
 Roger Beard
 and Guy Hawtin.

TUESDAY—Index of industrial production (March-prov.). Prime Minister at CBI annual dinner, Worcester Hotel. W.I. Mr. Andrew Young, U.S. Ambassador

WEDNESDAY—Basic rates of wages and normal weekly hours (April). Monthly index of average earnings (March). Monthly meeting of CBI council. Mr. Hugh Scanlon, president of Amalgamated Union of Engineering Workers, at Foreign Press Association luncheon, 11, Carlton House Terrace, S.W.1.

THURSDAY—U.K. banks announce liabilities and the money stock (mid-April). London dollar and sterling certificates of deposits (mid-April). Mr. Denis Healey, Chancellor of the Exchequer, presents Inland Revenue Staff Festschrift conference, Scarborough, British National Oil Corporation annual report. President Sir Seretse Khama meets Prime Minister at luncheon, Guildhall. Mrs. Margaret Thatcher addresses Israel 30th anniversary dinner, Hampstead. The Bank of England releases the Index Societies' mortgage survey 5 per cent. sample survey results (1st qtr.). Consumers' expenditure index (1st qtr.) preliminary estimate. Cycleless indicators for the U.K. economy (April).

FRIDAY—Retail prices index (April). New construction orders (April). The Royal Wales conference opens, Swansea.

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SUNDAY TIMES 10

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8-C GROUP

&G GROUP

YOUNG

COMPANY NEWS+COMMENT

Vaux ahead £0.53m. at halftime

AFTER LOWER finance charges of £484,000 against £621,000 pre-tax profits of Vaux Breweries rose from £1.86m. to £2.33m. for the 24 weeks to March 18, 1978, on turnover up by £5.4m. to £23.7m. Profit for the 1977-78 year came to £3.74m.

Mr. Paul Nicholson, the chairman, says the profit for the half-year is after setting aside £126,000 for the group's profit-sharing scheme.

Commenting on the results he says: "We have had a good 24 weeks, especially in England, but some of the increased profit, he adds, came from extra beer sales in the autumn resulting from industrial problems at other breweries. Except for an over-time ban by some sections of the Scottish production Vaux escaped such difficulties.

Since the new year sales and profits have been good in England but a harder than average winter appears to have hit Scottish sales, which are running behind last year, he states.

Swallow Hotels traded well during the period making a much bigger contribution in the winter months than ever before.

The group's investment programme is going well except for some hold-ups caused by delays in getting planning permissions and local authority consent for the new hotel at Glasgow, which may lead to changes.

He says that the tax allowances announced in the Budget for hotel buildings will help to fund the substantial part of the development programme earmarked for expanding many of the group's existing hotels.

The current dividend is stepped up from 1.3p to 1.45p net per 25p share costing £400,000 (£358,141). For the 17 months' period of 1977-78 there was a second interim payment of 1.30p and a final of 2.84p.

Tax for the 24 weeks took £124m. (£97m.) leaving a net profit ahead of £1.5m. (£2.0m.).

Turnover	1977-78	1976-77
Trade	23.7	18.3
Finance	0.4	0.4
Other	0.2	0.2
Total	24.3	18.9
Profit	2.3	1.9
Dividend	1.4	1.4

comment

With many regional breweries reporting a dull first half, Vaux Breweries has stepped in with a 24p per cent rise in its profit, and impressive volume growth of around 10 per cent. Sales in the North-East of England held up well in the latter part of the period, despite the only temporary advance of industrial troubles at its rival Scottish and Newcastle. A provision of £100,000 for "special repairs" has in any case been made to take account of gains from that source.

Vaux now has a marked competitive edge over local and national rivals and with the recent price increase helping margins, profits from beer sales should benefit in the second half. The company, meanwhile, is expanding the hotel side and with profits in the first six months about 50 per cent up on £240,000, is looking for substantial growth there. About 130 bedrooms have just come on stream and more are planned. The figures also show the benefit of lower finance charges after a period of exceptionally high interest rates. Borrowings of £21m. are lower than last year and much of the floating loan has now been fixed for 10 years. There may be a slightly higher interest charge in the second six months but the company has the option to call in the full year. With the shares at 110p this gives a fully taxed prospective p/e of just over 9 with a yield of about 6.

DIVIDENDS ANNOUNCED

Company	Current payment	Date of payment	Corresponding dividend	Total last year	Total this year
Assam Trading	7.5	July 14	0.85	7.5	7.5
Assam Eng.	0.85	July 14	0.85	0.85	0.85
Peak Inv.	1.0	July 6	0.5	1.75	1.75
National Leisure	10.38	—	0.13	0.38	0.88
John Beales	1.08	—	1.61	2.88	2.61
North Midland	0.45p	—	0.45	—	1.1
Vaux Brew.	1.49	July 8	1.3	1.3	13.69
American Assoc.	1.0	July 2	4.5	2.6	6.5
Chas. Hill Bristol	5.28	July 20	0.26	1.62	1.46
W. G. Frith	0.32	July 10	5.05	8.75	7.33
Nineteen Twenty-Eight	6	—	—	—	—

Dividends shown pence per share net except where otherwise stated. Equivalent after allowing for scrip issues. * On capital increased by rights and/or acquisition issues. † For 17 months.

Setback for Peak Investments

THE DIRECTORS of Peak Investments report a turnaround from a £103,310 pre-tax profit to a £53,289 loss for the six months ended November 30, 1977, on turnover of £2.52m. against £2.46m.

They say that the caravan chassis subsidiary incurred a substantial loss due to adverse conditions in the caravan industry resulting in a reduction in turnover.

While the electronics subsidiaries produced an overall profit, the shortage of key components caused turnover to be lower than anticipated with a corresponding effect on profits.

The adverse trend in the caravan industry has continued in the second half and they anticipated that the loss in the subsidiary company will be further increased by the end of the financial year.

Second half profits in the electronic subsidiaries should be better, they add, although turnover has not yet reached a satisfactory level. Profit for the whole of the 1977-78 year was £211,000.

There is no interim dividend—last year a single 0.5p net was paid.

1928 Invest. best ever and proposes scrip

AFTER HIGHER interest charges of £206,235, against £220,018, taxable revenue of Nineteen Twenty-Eight Investment Trust advanced to £1.57m. to a record £1.78m. in the year to March 31, 1978, a two-for-one scrip issue is proposed.

Gross revenue was up £202m. to £2.44m. and net asset value at year-end was £26.4p (£24.4p) per share.

Earnings per share are stated at 8.8p (£7.6p) and a net dividend of 6p lifts the total to 8.75p (£7.5p).

1977-78	1976-77	
Gross revenue	2,440,100	1,937,215
Finance charges	206,235	220,018
Net revenue	2,233,865	1,717,197
Dividend	1,780,000	1,570,000
Retained	453,865	147,197

NEW TAP STOCK

The Bank of England has announced the issue for cash of £500m. of 9 per cent. Exchequer Stock, 1982, at 94.75p per £100 nominal payable in full on application. The new stock will be designated 9 per cent. Exchequer Stock, 1982, "A".

The stock will be made a specified security under section 41 of the Finance Act, 1969, and edged securities exempt from capital gains tax if held for more than one year.

Applications will be opened and closed on May 15. Letters of allotment in respect of the stock may be split into denominations of £100. They may be lodged for registration at any time after receipt and not later than June 18. The stock now to be issued will be additional to the £500m. of the stock already existing. It succeeds 8 per cent. Exchequer Stock, which was issued in March 2, 1978, and subsequently operated as a short-dated tap stock until official supplies were exhausted on April 19, 1978.

J. Beales higher at £1.2m.

SECOND HALF profits of John Beales Associated Companies improved from £628,977 to £663,542 taking the total for the year ended March 19, 1978 up to £1,217,542 compared with £1,164,977.

Direct exports increased by 19 per cent to £1.19m. and in addition goods of the group's manufacture valued at £1.12m. have been exported by Marks and Spencer. During the last few months export orders have proved more difficult to obtain, but the directors still expect an increase during the year.

The directors say that they are awaiting the effects on imports of the new Multi-Fibre Agreement which should be beneficial. Falling overseas sales during the coming year, the directors expect to make steady progress. An upturn in the early weeks of the year gives, if sustained, grounds for confidence in 1978-79.

The group manufactures underwear and outerwear under the Marathon label.

Basic pre-tax earnings per 20p share are stated to be up from 30.4p to 31.5p or from 29p to 30.3p fully diluted. After heavier tax basic net earnings are down from 28.5p to 27.4p and from 27p to 26.3p fully diluted. The dividend is raised from 2.61p to 2.88p, with a final of 1.85p net.

1977-78	1976-77	
Group sales	10,916,000	11,410,000
Profit before interest	1,406,000	1,257,125
Profit before tax	1,217,542	1,164,977
Profit after tax	888,286	1,092,772
Dividends	111,470	95,800
Retained	776,816	997,972

Moss Eng. slips in first half

PRE-TAX profits of Moss Engineering Group were down by £30,142 to £301,972 for the six months to February 28, 1978, on turnover ahead from £4.57m. to £4.73m. The group's turnover for the full year to show useful gains in overall sales, but they say it is now probable that the group will profit growth for 1979 to resume.

The interim dividend is 0.85p (£0.875p) net per 25p share—last year's final was 3.31p paid from profits of £921,149 (£1,025,834).

The directors comment that the key feature of the trading period has been the growth in export business from £0.51m. to £1.23m. The turnover in this direction is still climbing and they expect, in the short and middle-term, to obtain a growing number of contracts overseas.

1977-78	1976-77	
Group sales	5,734,492	4,544,544
Home trade	4,011,443	3,341,818
Export	1,723,049	1,202,726
Interest	466,728	44,886
Trading profit	37,586	62,716
Finance charges	10,140	49,021
Profit before tax	27,446	13,695
Corporation tax	10,225	5,272
Profit	17,221	8,423

Greencoat Properties

At the AGM of Greencoat Properties the chairman announced that the French government had now agreed the company's claim for compensation for the loss in the building permit for the Gran Canal development.

The company has been informed by the Ministère de l'Environnement.

FAIREY

Yesterday's report on the Fairey Group, referred to the sale by the group of Britten-Norman (Bembridge). This was an agency error; the company has not been sold.

The third major U.S.-oriented composite, General Aircraft, reports its first-quarter figures on Wednesday. Like CU and Royal, it is expected that the U.S. business will have improved, while the U.K. account will have deteriorated as a result of severe weather. The overall underwriting losses could be halved and when warranted by the progress of the operating companies.



Mr. Reginald B. Smith, chairman of George Wimpey—intense competition and pressure on margins expected to continue.

NEI looks for continuing progress in tough market

A FIRM base has been established at Northern Engineering Industries (NEI) and the company is confident that existing levels of activity will be maintained throughout the current year.

Also significant orders in the field of process plant, heavy machinery and other specialist equipment have been received by the mechanical engineering side from Eastern Europe, India, and the Far East and a protocol agreement has been signed with the USSR which is being extended to cover all group companies.

Joint ventures in which the company will supply technology and the more sophisticated equipment are planned with local manufacturers in India, the Far East and South America.

For 1977 NEI showed taxable profit of £25.1m. (£22.1m.) on turnover of £267m. (£239m.) and a net dividend of 6p is to be paid as reported April 28.

Bank borrowings at year end were higher at £10.99m. (£8.48m.), short term deposits were £22.53m. (£15.31m.) and bank balances and cash were lower at £1.81m. (£2.33m.).

At April 12 Combustion Engineering Inc. held 12.3 per cent of the equity.

Based on the U.K. in 1977 totalled £95m. and turnover and profits of the principal overseas subsidiaries were split as to South Africa £24.8m. and £2.61m. and Australasia £13.2m. and £1.22m.

Meeting, Newcastle upon Tyne on June 9 at noon.

Tunnel Hldgs. and RTZ in waste disposal link-up

Tunnel Holdings and Leigh Interests have agreed with RTZ Overseas Holdings to establish an association to develop waste disposal operations in the U.S. and Canada.

This association will provide a service for the safe disposal of hazardous and toxic wastes by setting up a series of waste disposal centres in appropriate areas of the U.S. and Canada.

The operating companies which will effect these developments are the Stables Corporation (a Delaware corporation) and Stables (Canada), in each of which Tunnel, Leigh and RTZ will have an indirect beneficial interest of 42 per cent, 8 per cent, and 50 per cent, respectively.

The companies will have a total capital of \$10m. subscribed and held in the above proportions which will be called up in the near future.

Over and above the \$10m. capital, RTZ will procure loan funds up to a maximum of \$30m. and when warranted by the progress of the operating companies.

Thomas Tilling plans £40m. investment

Mr. Robert Tilling, chairman of Thomas Tilling said at the AGM that 1978 is expected to be a good start. The group intended to continue to increase its share of existing markets and to continue to expand its growth rate in the economies in which it operates.

This year the group expected further development of its interests particularly in the U.S. but also elsewhere and it was planned to spend some £40m. on capital investment to improve the efficiency and profitability of existing operations—mainly in the U.K.

The chairman expressed every confidence in the future as the group embarked on its further phase of international growth.

Rank Overseas raising \$A12m.

Rank Overseas Holdings, under guarantee from the Rank Organisation, is raising \$A12m. (£7.4m.) on the Eurobond market. The issue, which is being managed by a group headed by N. M. Rothschild, will yield 11 per cent on a five-year maturity. The reason for raising funds in Australian dollars is to match the currency denomination of overseas assets with that of overseas liabilities so as to help avoid the risk of exchange rate changes. Rank has substantial business interests in Australia.

UNIT TRUSTS

Wall St. gathers its forces for a rise

TO GO by the way that the market in New York has been performing over the past couple of days, the pause for reconsideration is now over, the buyers are back in, and once again there are quick profits to be made. Those quick profits should, however, be taken as no more than a guide to the possibilities of longer-term gain: what they prove is that the Americans are now more willing buyers than sellers. And that, as many commentators have been saying for most of the past six months, is all that is necessary to put consistent impetus behind share prices which, even now, are by historical standards distinctly cheap.

Assuming that last week's indication that the U.S. Administration is to take a tough line on inflation has finally turned the scales, almost all of the unit trust

Wimpey's workload at record level

THERE IS a record workload booked at George Wimpey and Co. and with every indication that private house sales in the U.K. during the current year will exceed the 1977 level, Mr. R. B. Smith, the chairman, tells members that he is confident the group will have a good year.

Enquiries now show signs of an increase but even when full economic confidence is restored, the directors do not envisage that construction activity will return to the peaks achieved in the early 1970s. This means the present intense competition and pressure on margins will continue but the company is geared for the awaited upturn in demand, he says.

He stresses that it is essential that the Labour Party's proposals for the establishment of a National Construction Corporation based on the acquisition of one or more major contractors, be rejected. To this end the directors are participating with the Federation of Civil Engineering Contractors and of Building Trades Employers in a campaign of action.

On sales £100m. ahead at £262.5m. taxable profit for 1977 climbed to £24.0m. (£20.12m.) and the net dividend is raised to 0.80p (£0.60p) per 25p share—as reported on April 28.

Net liquid funds at year end were down £17.8m. (£22.57m.) with bank overdrafts lower at £17.36m. (£23.31m.). Capital spending commitments amounted to £20.73m. (£23.0m.) and the net dividend of 0.80p (£0.60p) had been authorised but not contracted.

The growth of the overseas business required additional borrowing and loans increased to £108.15m. (£110.0m.) of which £7.50m. (£10.0m.) was repayable within one year.

Exchange losses totalled £32m. with the biggest amount relating to Canada, compared with gains of £5m. in 1976. However overseas profits increased substantially.

During the year an audit committee was formed. The directors decided not to adopt the Hyde guidelines on current cost accounting as they do not include guidance on long term contract work.

Meeting, Royal Garden Hotel, W. on June 8, at noon.

Chas. Hill down on forecast

Although Charles Hill of Bristol returned to profits in the second half of 1977 with a pre-tax balance of £186,300, still well short of the directors' expectations.

At half-way, when a loss of £200m. was shown, the forecast that the full year's pre-tax profit would be at least as good as the depressed £170,169 reported for 1976. In the event the year's profit was £137,335.

Stated earnings per £1 share before ACT writedown (£48,000) and extraordinary items are 27p (20p), 17p (0.9p) after ACT but before extraordinary items and 43.3p (44.2p) after ACT and extraordinary items.

The dividend total is increased to the maximum allowed of 7.26p (£6.5p) net per share with a final payment of 5.26p (£4.5p).

The group carries on business of civil engineering, building, plant hire, property and development, shiprepairing and transportation.

Second half downturn at W. G. Frith

A second half downturn from £59,277 to £40,232 caused taxable profits of W. G. Frith and Company, manufacturer and converter of aluminium, to slump from £141,056 to £93,313 for the year to February 28, 1978, on turnover ahead slightly to £1.3m. against £1.2m.

The directors state that £23,844 has been set aside for a pension scheme for a director, and loss on sale of plant.

After tax of £48,426, compared with £73,313, net profit came out at £46,787, against £67,543, and earnings per 20p share are shown as 8.91p (£12.9p) on capital increased by a scrip issue. The dividend is effectively raised from 1.45p to 1.6218p net with a final of 0.8218p.

BH SOUTH

BH South, the Australian minerals and investment group, is to stop production at its Queensland Phosphate subsidiary because of continual losses and an assessment of £0.8218p.

BIDS AND DEALS

Assam Trading to buy more of McLeod Russel

THROUGH further share purchases Assam Trading (Holdings) intends to consolidate its holding in McLeod Russel to 50 per cent, participation in McLeod is the company's most important asset and the directors point out that under the City's code their buying will be limited to 4 per cent of capital in any one year.

Representing almost entirely its interest in McLeod taxable earnings of Assam Trading are estimated to be up from £0.85m. to £1.04m. in the year to March 31, 1978.

After tax of £2.38m. (£1.49m.) stated earnings £1 share reached 110p (£90.2p). The net dividend on "B" stock is stepped up to 7.5p (£2.94p), as forecast in July last year.

There was no minority interest this time compared with £3,000 stock in 1976-77, but the share in the associate company's extra-ordinary profits amounted to £237,000 (£20,000). Available profit emerged at £1,04m. (£567,000).

McLeod, which operates tea estates in India and Rhodesia, in April reported profit for the half year ahead at £8.38m. (£5.78m.) subject to tax of £5.56m. (£3.98m.).

SINGLO EXPANDS IN U.K.

Singlo Holdings has acquired the share and loan capital of Boompark in consideration for the issue of 530,000 Singlo Ordinary shares.

Based on the middle market quotation on May 10 the consideration has a value of £123,750. The Singlo shares do not rank for any dividend in respect of the year ended March 31, 1978.

Boompark (Incorporated on May 3, 1978) is an investment company and owns two freehold investment properties in the West of England and a portfolio of investments (£80 per cent in value of which are listed); the current aggregate value of these assets is, in the directors' opinion some £110,000. The current rental and dividend income attributable to these assets is about £11,000 per annum.

The acquisition of Boompark follows Singlo's declared policy of expanding its U.K. asset base and earnings.

A. INDONESIA (WALKER U.K.)

Following further negotiation the Boards of Anglo-Indonesian Corporation and Walker U.K. Company (U.K.) have reached agreement on the terms of a recommended offer of 63p cash per £1 share for the Preference shares of Walker, other than the £25,000 already owned by AIC.

The Preference offer will not become or be declared unconditional unless the Ordinary offer becomes or is declared unconditional.

Walker and its financial advisers, Hambros Bank consider these terms fair and reasonable and will recommend Preference holders to accept.

BLACK & EDGINGTON

Black & Edgington has completed the acquisition of "a" time Caravans which has met its first year of pre-tax profit of £273,000 for the year ended October 31, 1977. Final consideration due will be £273,000.

LESNEY

Products the toy company has concluded a £2.2m. purchase of Metal Castings Doehler, the British aluminium casting subsidiary of N.L. Industries in the U.S.

There has been no slouch over the shorter term either, with a gain of 5.4 per cent over the 12 months. Henderson's Cabinet American Smaller Companies Trust—which pulled in £2.5m. in its initial three-week offer period—was the third of the smaller company specialists on offer this week, but it too young yet to have a record.

The emphasis on the U.S. may again be strong this week, but it is not exclusive. Pledcilly fund managers, who rather pride themselves on being small company specialists in the U.K., have been strongly performing Small Companies Fund on offer this week, and Schlusinger is still catering for those who want income first, and growth second, with the latter yield 9.8 per cent, and since the portfolio is entirely composed of equities the return can be expected to rise.

Results due next week

The main features on next week's Stock Exchange list include first quarter results from Anglo-Dutch firms Unilever and Royal Dutch/Shell, Anglo and Whitbread and Co. are due to announce full-year results while Trafalgar House and Rank Hovis McDougal report their interim figures.

U.S. accounting rules (FAS 8) for currency fluctuations are clouding the Royal Dutch/Shell group's profit picture in the first quarter of 1978. The result, which will be announced on Thursday, is expected to be positive but very small. Analysts suggest figures in the area of £50m. If the FAS 8 adjustment is removed the figure is expected to be the 230m. to £250m. range (adjusted for the 1977-78 year of £270m. and the 1976-77 year of £270m. and the 1975-76 year of £270m.).

The Anglo-Dutch results are expected to be positive but very small. Analysts suggest figures in the area of £50m. If the FAS 8 adjustment is removed the figure is expected to be the 230m. to £250m. range (adjusted for the 1977-78 year of £270m. and the 1976-77 year of £270m. and the 1975-76 year of £270m.).

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Company	Announced date	Due last day of this year	Due this year Est.	Company
FINAL DIVIDENDS				
Anglo-Dutch Holdings	Monday	0.14	0.15	Secombe Marshall and Company
Unilever	Thursday	0.29	0.29	Sabero Investment Trust
Royal Dutch/Shell	Thursday	0.29	0.29	Shenli Holdings
Anglo	Wednesday	0.29	0.29	Shenli Holdings
Whitbread and Co.	Thursday	0.29	0.29	Shenli Holdings
Trafalgar House	Monday	0.29	0.29	Shenli Holdings
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Anglo-Dutch	Wednesday	0.29	0.2	

SUMMARY OF THE WEEK'S COMPANY NEWS

Take-over bids and mergers

Harrisons and Crosfield has made an agreed bid for the 73.6 per cent. of Harrisons Malaysian Estates which it does not already own. The move is essentially a defensive one for H & C, which has constantly been successfully fending off unwanted bids over recent months. Assuming a successful outcome, the merged company would be the third largest plantation company in the East. The terms of the offer are one Harrisons and Crosfield share for every five HME.

Northern Foods has made a bid for Pork Farms, the pork pies and sausages company. The terms are four Northern Foods shares plus 31.5p cash for each Pork Farms share. There is a cash alternative of 67.5p per share. Directors of Pork Farms and their families controlling 52.7 per cent. of the shares have irrevocably accepted. The main benefits of the merger are seen in terms of management and finance as opposed to operating advantages.

In seeking greater flexibility, Robert Kitchen Taylor, the knitwear manufacturer and textile merchant, is to bid 96p cash per share for the remaining 24.6 per cent. of RKT Textiles it does not already own.

A further move towards rationalisation in the investment trust world was notified by the agreed offer from Jove Investments for Kingside. The latter's Board and other shareholders have indicated their intention to accept the offer in respect of their holdings, which amount to 40.95 per cent.

Jove is offering seven units, each comprising one Income share and one Capital share, for every six Kingside, and Jove intends to arrange a backing cash offer of 57.16p per Kingside.

Colonial Mutual Life Assurance has extended its offer for the London-based London Australia Investment Company to June 15. The desired level of acceptance has been reduced from 90 per cent. to 60 per cent.

Lonrho's contested £40.6m. bid for SUITS was automatically lapsed yesterday when the matter was referred to the Monopolies Commission.

The foreshadowed merger of Jokai Tea and Longbourne is

to be effected through exchange offers in shares of a new company, Lawrie Plantations Holdings.

Company bid for	Value of bid per share**	Market price*	Price before bid (1m's)**	Value of bid (1m's)**	Bidder	Final Acct'd date
Prices in pence unless otherwise indicated.						
Carlton Inds.	185*	187	170	22.7	Hwkr, Siddleley	
Cray Electronics	26*	23	87	2.38	Spey Invest.	
Gedong Invs.	188*	143	123	0.37	Cons. Plants.	
Harrisons	100	103	90	121.87	Harrisons	
Malaysian Estates	137.5*	124	118*	29.9	Crosfield	
John Richards	29*	27	28	7.7	Cerule	
(H & R) Tiles	29*	27	28	7.7	Mr. T. Ward	
NCA Ind.	81*	56	56	5.54	Jove Inv.	
Kingside Inv.	148*	133	125	11.2	Colonial Mutual	
Land. Asst. Invs.	21*	22	19	0.53	Aschheim Secs.	
Trust	25*	29	21	0.88	Black & White	
Marler Estates	200*	185	183	4.23	Hillings AB	
Nita Marsters	103	87	87	8.32	Aurora	
Osborn (S.)	67.5*	66	487	22.72	Nhrn. Foods	
Pork Farms	109	109	69	11.78	Letravit	
Randall (Z & L)	45*	45	41	1.75	Dakstone	
Reynolds (W. J.)	98*	93	72.7	78.64	Robert Kitchen	
RKT Textiles	92	87	34	0.41	Anglo-Indonesian	
Walker Sons & Co. (U.K.)	203	187	168	30.98	Lifood	
Wheatstheat Dist.	83*	83	66	3.4	Trafalgar House	
Young Austen Young						

* All cash offer. † Cash alternative. ‡ Partial bid. § For capital not already held. ¶ Combined market capitalisation. || Date on which scheme is expected to become operative. ** Based on 11.5.78. †† At suspension. ‡‡ Estimated. §§ Shares and cash.

Scrip Issues

Richard Costain: One-for-two.
J. B. Holdings: One-for-one.

PRELIMINARY RESULTS

Company	Year to	Pre-tax profit (£000)	Earnings per share (p)	Dividends per share (p)
Allied Irish	Mar. 31	34,458 (22,988)	36.7 (26.8)	7.5 (6.0)
Avery	Dec. 31	15,401 (14,672)	18.8 (18.9)	5.51 (5.20)
Bank of Ireland	Dec. 31	42,852 (32,461)	67.8 (51.7)	15.0 (11.25)
Barr & WAT	Dec. 31	1,600 (1,100)	25.8 (22.2)	3.768 (3.328)
Booth Ind.	Dec. 31	1,050 (1,180)	15.1 (20.6)	4.292 (3.972)
British Borneo	Mar. 31	746 (768)	10.5 (9.0)	6.748 (6.099)
British Northrop	Dec. 31	501 (340)	26.6 (17.7)	6.0 (ND)
Brixton Estate	Dec. 31	2,284 (1,955)	3.9 (3.1)	1.909 (1.71)
Cent. & Sheerwood	Dec. 31	4,710 (3,444)	6.3 (4.9)	2.354 (2.108)
Copple	Dec. 31	201 (252)	2.6 (3.4)	2.237 (2.227)
Derwent Stamp	Feb. 28	1,790 (1,220)	26.1 (20.8)	9.97 (9.02)
J. E. Findlay	Dec. 31	445 (447)	5.5 (5.5)	1.896 (1.7)
John Foster	Mar. 3	839 (388)	6.8 (3.0)	2.5 (1.655)
King & Shaxon	Dec. 31	1,220 (970)	23.1 (15.7)	6.9 (5.9)
Gieves Group	Jan. 31	1,240 (780)	15.3 (10.9)	4.468 (4.0)
Heal & Sons	Dec. 31	928 (251)	18.6 (5.0)	1.06 (0.96)
J. E. Holdings	Dec. 31	2,562 (2,358)	18.6 (12.9)	1.06 (0.96)
Malcolm Denby	Dec. 31	6,203 (4,820)	23.6 (17.8)	2.792 (2.3)
Matthew Hall	Dec. 31	311 (285)	9.6 (8.8)	4.11 (4.11)
Morris & Blakey	Dec. 31	941 (370)	10.6 (3.7)	3.398 (3.044)
More O'Ferrall	Dec. 31	4,012 (1,849)	23.0 (12.6)	3.0 (3.189)
Newman Inds.	Dec. 31	1,261 (1,261)	0.9 (0.9)	0.325 (0.125)
Queens Meat	Dec. 31	7,040 (9,690)	8.4 (12.0)	1.624 (1.478)
Sabah Timber	Jan. 31	4,230 (3,180)	8.7 (6.4)	1.221 (0.86)
Selincourt	Dec. 31	1,153 (43)	4.8 (0.8)	2.53 (2.23)
Sheffield Brick	Dec. 31	814 (821)	4.3 (4.3)	1.11 (1.08)
Sussex Serv.	Dec. 31	1,060 (810)	18.5 (8.9)	2.535 (2.05)
Tarriff Corp.	Dec. 31	498 (736)	5.0 (8.1)	2.118 (2.118)
Tysons	Dec. 31	496 (478)	10.7 (10.5)	3.269 (3.269)
Usher Walker	Dec. 31	747 (387)	21.2 (18.0)	6.0 (5.940)
C. & W. Walker	Dec. 31	496 (263)	3.3 (1.8)	2.14 (1.92)
Wire & Plastic	Dec. 31			

INTERIM STATEMENTS

Company	Half-year to	Pre-tax profit (£000)	Interim dividends per share (p)
Akroyd & Smithers	Mar. 31	2,260 (10,410)	5.0 (5.0)
Brycourt Invs.	Mar. 31	130 (101)	1.0 (1.0)
Burton	Feb. 25	5,010 (1,410)	0.6 (0.6)
Caplan Profile	Feb. 28	508 (302)	1.5 (1.5)
S. Casket	Dec. 31	436 (436)	0.8 (0.75)
Hall Brothers	Feb. 28	382 (601)	Nil (Nil)
Herman Smith	Jan. 14	971 (361)	— (—)
Lloyds & Scottish	Mar. 31	12,820 (7,630)	1.7 (1.54)
Majestic Invs.	Mar. 31	239 (187)	— (—)
Midland Inds.	Mar. 31	961 (805)	0.53 (0.48)
C. H. Pearce	Nov. 30	327 (295)	1.293 (1.18)
Richards	Mar. 31	304 (333)	0.25 (0.22)
United Scientific	Jan. 19	318 (245)	0.3 (0.7)
Warner Estates	Mar. 31	1,310 (1,180)	3.0 (0.833)
Westward TV	Jan. 31	435 (389)	1.4 (1.3)
Geo. Whitehouse	Dec. 31	932 (616)	0.968 (0.813)
John Williams	Mar. 31	430 (375)	1.0 (0.8)
Wood Hall Trust	Dec. 31	1,980 (2,060)	— (—)

(Figures in parentheses are for corresponding period.)

Dividends shown net except where otherwise stated.

* Adjusted for any intervening scrip issue. † Gross. ‡ Loss.

Offers for sale, placings and introductions

Nimble: Placing of £3m. of Ordinary shares and Loan stock.
Tyne and Wear County Council: £10m. of 12 per cent. Redeemable stock 1986 at 98½ per cent.

Rights Issues

Rowntree Macintosh: One-for-four at 34½p each.
Welico Holdings: Four-for-11 at 20p each.

APPOINTMENTS

Group posts at Smurfit

Smurfit Flexible Packaging has been appointed first permanent director of the MANPOWER SERVICES COMMITTEE FOR Peter Wells (production), Mr. WALE. Mr. George Speakman, director of the NATIONAL DAIRY COUNCIL and at the UNITED KINGDOM MILK PROMOTION COUNCIL, retires on May 31. He is now succeeded by Mr. George Holmes from the North Thames Gas Board. Mr. Speakman will continue as president of the International Milk Promotion Group.

Mr. W. D. Smith, group personnel manager of PHOENIX ASSURANCE, retires on June 30 and will be succeeded by Mr. R. G. Adams.

Mr. Peter Stride, development director of Greenham Sand and Ballast Company, has been appointed a director of METRO GREENHAM AGGREGATES.

Mr. T. L. Blake, deputy managing director of F. HILLS AND SONS has retired as a full time executive but retains his connection with the company.

Sir Bryan Hopkin, former economic adviser to the Treasury and now Professor of Economics at University College, Cardiff, has

up his new position.

Trust Schroder Wagg

J. Henry Schroder Wagg & Co. Limited is one of Britain's largest and most respected Merchant Banks. Our experience and skills in world stock markets are such that many leading companies and institutions entrust us with the investment of substantial sums of money on their behalf.

Private investors can also benefit from our expertise by investing in our Unit Funds. There are four Funds: **SCHRODER CAPITAL FUND.** Investment objective—capital growth. **SCHRODER INCOME FUND.** Investment objective—income growth. **SCHRODER EUROPE FUND.** Investment objective—to participate in the steady growth of well-managed European economies. **SCHRODER GENERAL FUND.** Investment objective—a balanced fund seeking income and capital growth.

To find out more about having Schroder Wagg manage your investments, please write to Mr. M. Smith, Schroder Wagg Unit Trusts, 432, Mariner Lane, London WC2N 4EJ or telephone 01-340 3434.

Schroder Wagg

UNIT TRUSTS

Members of The Unit Trust Association. Not applicable to Eire.

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Two Sterling Cable main Board members

Mr. S. A. H. Akers has been elected national chairman of the ROAD HAULAGE ASSOCIATION for 1978-79 in succession to Mr. Jack Mole, who has retired. Mr. Ken Rogers has been re-elected a national vice-chairman of the RHA and Mr. Harold Russett, elected a national vice-chairman.

Mr. G. C. Widdall, at present a deputy secretary and principal finance officer in the DEPARTMENT OF THE ENVIRONMENT, has been appointed a second permanent secretary in that Department in succession to Sir Robert Marshall, who is leaving the public service.

Mr. E. W. Lansdowne has been appointed managing director of MARLEY HOMECARE and Mr. E. A. N. Baxter has become a director of MARLEY BROKERS.

The INDEPENDENT BROADCASTING AUTHORITY has appointed six new members to its General Advisory Council. They are Mr. Douglas Owen, Superintendent Susan Gospel, Lord McNair, Mrs. Ivy Blackwell, Mr. Richard Banger-Jones and Dr. Alexander Reid.

Mr. P. W. Barker and Mr. Stanley Parker have become directors of JAMES DAWSON AND SONS and Mr. C. T. Addison, Mr. C. J. H. Blackie, Mr. N. J. Cammille, Mr. J. N. Fuller, Shapcott and Sir Francis Hill have resigned from the Board. The changes follow the successful offer for the company by J. H. Fenner and Company (Holdings).

Mr. T. Loran, Mr. L. Warburton and Mr. C. N. B. Wodehouse, have been appointed assistant general managers of TRIDENT LIFE ASSURANCE.

Rear Admiral W. D. M. Staveley is to be Chief of Staff to Commander-in-Chief Fleet in

Mr. John Silbermann has been

appointed a deputy secretary in the DEPARTMENT OF TRADE. He succeeds Mr. J. R. Steele as deputy secretary responsible for export policy, commercial relations with individual countries and the department's interest in overseas aid. Mr. J. R. Steele has become deputy secretary responsible for civil aviation and shipping policies, and marine matters, replacing Mr. W. P. Shovelton, who has retired from the Civil Service.

Mr. Ron Williams has joined POLAR CONTRACT MOTORING as marketing director. Polar is part of the Bodycote International group.

Mr. John Dent has been appointed to the Board of GUILD SOUND AND VISION with responsibility for the integrated learning systems division.

Should I sell my shares now?

Gone are the days when a "sound portfolio" of shares could just be bought and forgotten. 1974 proved that! Today's investor has to be alert. Buying tomorrow's favourites at today's prices. And, of course, remembering when to sell them. Before the next "1974". That's why the FLEET STREET LETTER, Britain's oldest newsletter, emphasises the importance of knowing when to sell.

The only way to be sure the FLEET STREET LETTER is right for you is to study a copy and judge for yourself. So, just complete and return the attached coupon, and we will send you a FREE COPY. Plus a list of all our company analysis recommendations over the last year. Plus a detailed analysis of F.S.L.'s latest ideas—two companies which most other investors have not yet discovered. Plus an insight into why we are recommending the sale of most leading equities NOW.

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For year to 31st Jan.

TURNOVER 32,092 24,575
PRE-TAX PROFIT 1,237 781
PROFIT AFTER TAX 594 402

EARNINGS PER ORD. SHARE 15.3p 10.9p

DIVIDENDS 4.4679p 4.0p

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Student fees to be paid

RELIEF has been announced for students hit by steep increases in tuition fees while paying their own way through full-time education. The concession would apply only when all normal sources of support had been exhausted.

The Government said it had agreed that self-financing students whose attendance was threatened by the increases, could now have their extra fee charged to the "pool" funds shared by the local education authorities.

For overseas students, however, the concession would apply only when all normal sources of support had been exhausted. A survey by the National Union of Students, in March, found that 2,000 students were likely to have to leave their courses because they could not afford the higher fees.

shared by the local education authorities.

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Lottery aids chess contest

LONDON'S first international chess tournament in 40 years and a series of recitals by young musicians are two projects approved by the Greater London Council's art committee, to be financed from the proceeds of the council's lottery.

The committee has recommended that £8,000 from lottery funds be allocated towards the estimated £25,000 cost of the chess tournament. Nearly £2,000 will be used to sponsor a series of six recitals for young musicians at Ranger's House, Blackheath, next spring.

This 42-mile stretch, from Farnham in the west to the Kent border at Tatsfield, is one section of a 141-mile route which will extend to the sea at Dover. The entire route is due to be opened to the public at the end of September.

THE SURREY section of the North Downs Way, northwest of the country's long-distance footpaths, is to be opened to-morrow week in a ceremony in the public park at Newlands Corner at 3 p.m.

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Mewham (John) (23rd) 120 (11/50)
 McInnes (23rd) 185
 Myddleton (23rd) 150 205 (9/50)
 Myson Co. (10th) 68 70 4 (7/50)

[illegible][illegible]

finding and to find an excuse to dismiss me." Mr. Dukes: "I reject that."

Mr. Tether, 64, who wrote the Lombard column in the newspaper 21 years, claiming only dismissal against the company and seeking reinstatement.

Mr. Dukes told of a meeting with Mr. Robert Norris, the union's national organizer, a few days after the disputes committee findings were published.

Mr. Norris said there was no suggestion that the disputes procedure had not been exhausted.

If that had been so, there would have been further investigations and correspondence—but there was none.

The disputes procedure had failed to break the deadlock between the parties and the process had been fully exhausted.

Mr. Richard Kilzinger, an economist and treasurer of the Anti-Commonwealth Fund Safeguard Britain Campaign, said he was aware of the outstanding quality of Mr. Tether's column. He could not believe that one man could write five brilliant articles every

"It is not part of our task to put ourselves in the position of the Financial Times and say whether they were right or wrong. We have only to decide on the question of the dismissal and that is why we have excluded further evidence."

Mr. Tether then read a series of testimonials from all over the world.

Mr. Denis Healey, Chancellor, wrote: "I read you religiously and usually with approval."

Mr. Peter Parker, British Rail chairman, said: "You're is one of the true voices. The dark corner of determination in the international community has become even more frightening in the past few weeks since your banned article of May 5. Let there be light. Let there be Tether."

Adjourning the hearing until June 20, Mr. Wallis said Mr. Tether had only one more witness to call, Mr. Robin Corbett, M.P. and then there would be speeches from both sides. He said that the tribunal would be able to consider its decision in July.

The hearing was adjourned

FINANCE FOR INDUSTRY TERM DEPOSITS

Deposits of £1,000-£25,000 accepted for fixed terms of 3-10 years. Interest paid gross. Half-yearly. Rates for deposits over (not later than) 19.5.78.

Term (years)	3	4	5	6	7	8	9	10
Interest %	10½	10½	11	11½	11½	11½	12	12½

For larger amounts on request. Deposits to and further than £25,000 from The Chief Cashier, Finance for Industry Ltd, 61 Waterloo Road, London SE1 8XP (01-928 7822).

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60	541½		Edwards Hides	28 29	
70	544½		Edridge Pops	A 182	
80	545		G.R.P.	Pres. Int. 13 12½ 12¼	
90	546		Hartley	Baird	
100	547		Norton Vullers	3	
110	548		Othman Estates	120	
120	549		Pancras Housing Sociey	2 acLn. E17	
130	550		Schenck Housing Sociey	Ln.Ln. E17	
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1030	640				
1040	641				
1050	642				
1060	643				

STOCK EXCHANGE REPORT

MLR rise fails to check upsurge in equity leaders
Index up 22.6 on Account at 488.3—New short tap issue

Account Dealing Dates

Option

First Declara- Last Account

Dealings Dealing Day

May 2 May 11 May 23

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stock could be attractive

to investors, especially by the middle

of next week. The new Tyme

and Wear 12 p. 1988, issue

made its debut at the expected

discount, opening at 29, in 110-

paid form, before settling at 29.

The market in Traded Options

was reasonably busy with con-

tracting 642 compared with the

previous day's 403. Wednesday's

total was 645. Nearly 70 per

cent of yesterday's dealings

were done in four stocks.

Courtauld's (186) Marks

and Spencer (130), and Shell

and Gold both with 64.

The investment currency

market was quiet again yesterday

and the premium fluctuated only

narrowly. After opening firmly

at 109 1/2 per cent, on overnight

Wall Street, the rate eased to 109

per cent, on small offerings before

Wall Street's early firmness

yesterday re-established the 109 1/2

per cent level which was 1 up

on balance. Yesterday's conver-

sion factor was 0.6527 (0.6521).

NatWest-dearer

The major clearing Banks were

unmoved by the rise in per cent.

increase in Minimum Lending

Rate but held on to early modest

gains. NatWest ended 4 better

at 252 1/2 with sentiment helped by

the announcement that it is to

buy control of the National Bank

of North America for \$300m.

Elsewhere, Bank of New South

Wales added 10 to 500p in re-

sponse to the higher interim

profits. Discounts, however,

closed easier in places. Hambros,

5 higher at 193p, continued firmly

in Merchant Banks.

Brokers' main business among

Insurances, Matthews Wright

rose 3 pence, while Hoeg

Robinson hardened 3 to 100p.

Recorded rises in FT-quoted in-

dustrial shares were irregular.

London United Investments closed

5 to the good at 164p and Sun

Alliance 6 dearer at 54p, but

elsewhere and to spend some

Raisers reduced 3 to 37p.

Although interest in Breweries

was at a fairly low ebb, the trend

was to slightly better levels.

Leaders to close a penny or so

below the previous day's 44p, and

Scottish and Newcastle 44p.

Vaux held steady at 116p follow-

ing the half-yearly statement.

After a hesitant start, Building

descriptions made headway in a

continuation of the previous

days' quiet trade. AP Cement im-

proved 2 to 263p in late dealings.

Tunnel B formed 6 to 279p follow-

ing the announcement of plans to

establish an association with

Leigh Interests to develop waste-

disposal management operations.

Leigh rose 9 to 136p. Small buy-

ing interest and a shortage of

stock accounted for a rise of 8

to 139p in Tarmac, while also in

this market, Insteck Johnson

added 6 to 188p and Carron 3

to 57p. J. B. Holdings firmed a

result, both the shorts and

bunch resumed trading after the

usual recess on a slightly higher

level in the belief that the new

two-way trade ahead of the pre-

liminary results due Monday and

closed marginally easier at 224p.

Elsewhere, Johnson

Richard's Tiles gave up 3 of the

per share from 94p. Further demand

for the new 4p. Further demand

for the new 4p. Further demand

for the new 4p. Further demand

for the new 4p. Further demand

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for the new 4p. Further demand

for the new 4p. Further demand

for the new 4p. Further demand

Stone-Platt, 8 dearer at 124p.

which also reported preliminary

results soon, gained 5 to 76p.

A good investment demand helped

European Ferries advance 6 to

124p and Northern Engineering

ended 31 higher at 112p follow-

ing the annual report.

The recent U.K. car registration

figures stimulated interest in

Motors. Ford dealers were particu-

larly good, with Harold Perry

advancing 12 to 199p and Apple-

wood Group 6 to 94p, the latter

also being helped by the chair-

man's statement at the annual

meeting.

Thomson closed 3 better at

212p, after 375p, following the

annual report in which it was dis-

closed that the group might take

over the British Telecom share-

holding. The Times newspaper from

the Thomson family later this

year. Elsewhere in Newspapers,

East Midlands Allied Press "A"

met revived support and rose 6

to 90p.

South African Industrials to

give ground included Primrose,

6 lower at 77p, and O. K. Bazar,

10 cheaper at 360p.

Speculative interest waned a

little in Plantations, but further

gains were recorded.

Guthrie stood out with a fresh

jump of 16 to 288p on buying

ahead of forthcoming annual

results. Still reflecting the agreed

mergers from Harris and

Croftfield, Harris's Malaysian

Estates hardened 2 more to 105p,

taking its gain on the week to

141. H and C added 12 to 512p.

After respective overnight gains

of 25p and 25p following publica-

tion of the agreed merger terms, Joh-

improved 5 more to 253p as did

Longbourne, to 303p.

A sharp upward movement in

overnight Sydney and Melbourne

markets enabled Australian min-

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firm note.

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A sharp upward movement in

Proposed firm late

Properties firmed late in line

with markets generally. Sentiment

was helped by the rise of only 4

more in MLR and the leaders held

1973	1972	Stock	Price	Div	Yield	1973	1972	Stock	Price	Div	Yield
116	87	Grand Met. Sp.	116	0.2	4.25	121	88	Grand Met. Sp.	116	0.2	4.25
117	87	Grand Met. Sp.	116	0.2	4.25	121	88	Grand Met. Sp.	116	0.2	4.25
118	87	Grand Met. Sp.	116	0.2	4.25	121	88	Grand Met. Sp.	116	0.2	4.25
119	87	Grand Met. Sp.	116	0.2	4.25	121	88	Grand Met. Sp.	116	0.2	4.25
120	87	Grand Met. Sp.	116	0.2	4.25	121	88	Grand Met. Sp.	116	0.2	4.25

INDUSTRIALS

(Miscel.)

1973	1972	Stock	Price	Div	Yield	1973	1972	Stock	Price	Div	Yield
121	88	Grand Met. Sp.	116	0.2	4.25	121	88	Grand Met. Sp.	116	0.2	4.25
122	88	Grand Met. Sp.	116	0.2	4.25	121	88	Grand Met. Sp.	116	0.2	4.25
123	88	Grand Met. Sp.	116	0.2	4.25	121	88	Grand Met. Sp.	116	0.2	4.25
124	88	Grand Met. Sp.	116	0.2	4.25	121	88	Grand Met. Sp.	116	0.2	4.25
125	88	Grand Met. Sp.	116	0.2	4.25	121	88	Grand Met. Sp.	116	0.2	4.25

FOOD, GROCERIES, ETC.

1973 1972 Stock Price Div Yield

1973	1972	Stock	Price	Div	Yield
126	89	Grand Met. Sp.	116	0.2	4.25
127	89	Grand Met. Sp.	116	0.2	4.25
128	89	Grand Met. Sp.	116	0.2	4.25
129	89	Grand Met. Sp.	116	0.2	4.25
130	89	Grand Met. Sp.	116	0.2	4.25

HOTELS AND CATERERS

1973 1972 Stock Price Div Yield

1973	1972	Stock	Price	Div	Yield
131	90	Grand Met. Sp.	116	0.2	4.25
132	90	Grand Met. Sp.	116	0.2	4.25
133	90	Grand Met. Sp.	116	0.2	4.25
134	90	Grand Met. Sp.	116	0.2	4.25
135	90	Grand Met. Sp.	116	0.2	4.25

FT SHARE INFORMATION SERVICE

AMERICANS—Continued

1973 1972 Stock Price Div Yield

1973	1972	Stock	Price	Div	Yield
136	91	Grand Met. Sp.	116	0.2	4.25
137	91	Grand Met. Sp.	116	0.2	4.25
138	91	Grand Met. Sp.	116	0.2	4.25
139	91	Grand Met. Sp.	116	0.2	4.25
140	91	Grand Met. Sp.	116	0.2	4.25

Conversion factor 0.6827 (0.6822)

CANADIANS

1973 1972 Stock Price Div Yield

1973	1972	Stock	Price	Div	Yield
141	92	Grand Met. Sp.	116	0.2	4.25
142	92	Grand Met. Sp.	116	0.2	4.25
143	92	Grand Met. Sp.	116	0.2	4.25
144	92	Grand Met. Sp.	116	0.2	4.25
145	92	Grand Met. Sp.	116	0.2	4.25

S.E. List Premium 40% (based on \$2.6133 per \$)

BANKS AND HIRE PURCHASE

1973 1972 Stock Price Div Yield

1973	1972	Stock	Price	Div	Yield
146	93	Grand Met. Sp.	116	0.2	4.25
147	93	Grand Met. Sp.	116	0.2	4.25
148	93	Grand Met. Sp.	116	0.2	4.25
149	93	Grand Met. Sp.	116	0.2	4.25
150	93	Grand Met. Sp.	116	0.2	4.25

S.E. List Premium 40% (based on \$2.6133 per \$)

COMMONWEALTH & AFRICAN LOANS

1973 1972 Stock Price Div Yield

1973	1972	Stock	Price	Div	Yield
151	94	Grand Met. Sp.	116	0.2	4.25
152	94	Grand Met. Sp.	116	0.2	4.25
153	94	Grand Met. Sp.	116	0.2	4.25
154	94	Grand Met. Sp.	116	0.2	4.25
155	94	Grand Met. Sp.	116	0.2	4.25

LOANS

Public Board and Ind.

1973 1972 Stock Price Div Yield

1973	1972	Stock	Price	Div	Yield
156	95	Grand Met. Sp.	116	0.2	4.25
157	95	Grand Met. Sp.	116	0.2	4.25
158	95	Grand Met. Sp.	116	0.2	4.25
159	95	Grand Met. Sp.	116	0.2	4.25
160	95	Grand Met. Sp.	116	0.2	4.25

BEERS, WINES AND SPIRITS

1973 1972 Stock Price Div Yield

1973	1972	Stock	Price	Div	Yield
161	96	Grand Met. Sp.	116	0.2	4.25
162	96	Grand Met. Sp.	116	0.2	4.25
163	96	Grand Met. Sp.	116	0.2	4.25
164	96	Grand Met. Sp.	116	0.2	4.25
165	96	Grand Met. Sp.	116	0.2	4.25

FOREIGN BONDS & RAILS

1973 1972 Stock Price Div Yield

1973	1972	Stock	Price	Div	Yield
166	97	Grand Met. Sp.	116	0.2	4.25
167	97	Grand Met. Sp.	116	0.2	4.25
168	97	Grand Met. Sp.	116	0.2	4.25
169	97	Grand Met. Sp.	116	0.2	4.25
170	97	Grand Met. Sp.	116	0.2	4.25

AMERICANS

1973 1972 Stock Price Div Yield

1973	1972	Stock	Price	Div	Yield
171	98	Grand Met. Sp.	116	0.2	4.25
172	98	Grand Met. Sp.	116	0.2	4.25
173	98	Grand Met. Sp.	116	0.2	4.25
174	98	Grand Met. Sp.	116	0.2	4.25
175	98	Grand Met. Sp.	116	0.2	4.25

BUILDING INDUSTRY, TIMBER AND ROADS

1973 1972 Stock Price Div Yield

1973	1972	Stock	Price	Div	Yield
176	99	Grand Met. Sp.	116	0.2	4.25
177	99	Grand Met. Sp.	116	0.2	4.25
178	99	Grand Met. Sp.	116	0.2	4.25
179	99	Grand Met. Sp.	116	0.2	4.25
180	99	Grand Met. Sp.	116	0.2	4.25

BUILDING INDUSTRY—Cont.

1973 1972 Stock Price Div Yield

1973	1972	Stock	Price	Div	Yield
181	100	Grand Met. Sp.	116	0.2	4.25
182	100	Grand Met. Sp.	116	0.2	4.25
183	100	Grand Met. Sp.	116	0.2	4.25
184	100	Grand Met. Sp.	116	0.2	4.25
185	100	Grand Met. Sp.	116	0.2	4.25

Conversion factor 0.6827 (0.6822)

CANADIANS

1973 1972 Stock Price Div Yield

1973	1972	Stock	Price	Div	Yield
186	101	Grand Met. Sp.	116	0.2	4.25
187	101	Grand Met. Sp.	116	0.2	4.25
188	101	Grand Met. Sp.	116	0.2	4.25
189	101	Grand Met. Sp.	116	0.2	4.25
190	101	Grand Met. Sp.	116	0.2	4.25

S.E. List Premium 40% (based on \$2.6133 per \$)

BANKS AND HIRE PURCHASE

1973 1972 Stock Price Div Yield

1973	1972	Stock	Price	Div	Yield
191	102	Grand Met. Sp.	116	0.2	4.25
192	102	Grand Met. Sp.	116	0.2	4.25
193	102	Grand Met. Sp.	116	0.2	4.25
194	102	Grand Met. Sp.	116	0.2	4.25
195	102	Grand Met. Sp.	116	0.2	4.25

S.E. List Premium 40% (based on \$2.6133 per \$)

COMMONWEALTH & AFRICAN LOANS

1973 1972 Stock Price Div Yield

1973	1972	Stock	Price	Div	Yield
196	103	Grand Met. Sp.	116	0.2	4.25
197	103	Grand Met. Sp.	116	0.2	4.25
198	103	Grand Met. Sp.	116	0.2	4.25
199	103	Grand Met. Sp.	116	0.2	4.25
200	103	Grand Met. Sp.	116	0.2	4.25

LOANS

Public Board and Ind.

1973 1972 Stock Price Div Yield

1973	1972	Stock	Price	Div	Yield
201	104	Grand Met. Sp.	116	0.2	4.25
202	104	Grand Met. Sp.	116	0.2	4.25
203	104	Grand Met. Sp.	116	0.2	4.25
204	104	Grand Met. Sp.	116	0.2	4.25
205	104	Grand Met. Sp.	116	0.2	4.25

BEERS, WINES AND SPIRITS

1973 1972 Stock Price Div Yield

1973	1972	Stock	Price	Div	Yield
206	105	Grand Met. Sp.	116	0.2	4.25
207	105	Grand Met. Sp.	116	0.2	4.25
208	105	Grand Met. Sp.	116	0.2	4.25
209	105	Grand Met. Sp.	116	0.2	4.25
210	105	Grand Met. Sp.	116	0.2	4.25

FOREIGN BONDS & RAILS

1973 1972 Stock Price Div Yield

1973	1972	Stock	Price	Div	Yield
211	106	Grand Met. Sp.	116	0.2	4.25
212	106	Grand Met. Sp.	116	0.2	4.25
213	106	Grand Met. Sp.	116	0.2	4.25
214	106	Grand Met. Sp.	116	0.2	4.25
215	106	Grand Met. Sp.	116	0.2	4.25

AMERICANS

1973 1972 Stock Price Div Yield

1973	1972	Stock	Price	Div	Yield
216	107	Grand Met. Sp.	116	0.2	4.25
217	107	Grand Met. Sp.	116	0.2	4.25
218	107	Grand Met. Sp.	116	0.2	4.25
219	107	Grand Met. Sp.	116	0.2	4.25
220	107	Grand Met. Sp.	116	0.2	4.25

BUILDING INDUSTRY, TIMBER AND ROADS

1973 1972 Stock Price Div Yield

1973	1972	Stock	Price	Div	Yield
221	108	Grand Met. Sp.	116	0.2	4.25
222	108	Grand Met. Sp.	116	0.2	4.25
223	108	Grand Met. Sp.	116	0.2	4.25
224	108	Grand Met. Sp.	116	0.2	4.25
225	108	Grand Met. Sp.	116	0.2	4.25

DRAPERY AND STORES—Cont.

1973 1972 Stock Price Div Yield

1973	1972	Stock	Price	Div	Yield
226	109	Grand Met. Sp.	116	0.2	4.25
227	109	Grand Met. Sp.	116	0.2	4.25
228	109	Grand Met. Sp.	116	0.2	4.25
229	109	Grand Met. Sp.	116	0.2	4.25
230	109	Grand Met. Sp.	116	0.2	4.25

Conversion factor 0.6827 (0.6822)

CANADIANS

1973 1972 Stock Price Div Yield

1973	1972	Stock	Price	Div	Yield
231	110	Grand Met. Sp.	116	0.2	4.25
232	110	Grand Met. Sp.	116	0.2	4.25
233	110	Grand Met. Sp.	116	0.2	4.25
234	110	Grand Met. Sp.	116	0.2	4.25
235	110	Grand Met. Sp.	116	0.2	4.25

S.E. List Premium 40% (based on \$2.6133 per \$)

BANKS AND HIRE PURCHASE

1973 1972 Stock Price Div Yield

1973	1972	Stock	Price	Div	Yield
236	111	Grand Met. Sp.	116	0.2	4.25
237	111	Grand Met. Sp.	116	0.2	4.25
238	111	Grand Met. Sp.	116	0.2	4.25
239	111	Grand Met. Sp.	116	0.2	4.25
240	111	Grand Met. Sp.	116	0.2	4.25

S.E. List Premium 40% (based on \$2.6133 per \$)

COMMONWEALTH & AFRICAN LOANS

1973 1972 Stock Price Div Yield

1973	197
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MAN OF THE WEEK

Empire in the East

BY JAMES BARTHOLOMEW

TOM PRENTICE, Chairman of Harrison's and Crossfield, this week announced what is probably the biggest merger ever in the plantations industry. The combination of Harrison's and Crossfield's Malaysian Estates will create the third largest plantation group in the East.

It is a product forged in the fires of financial attack, press criticism and political pressure. The attacks have been made by other companies wanting to buy up parts of the H and C's plantation empire. The criticisms have been of the maze-like cross-holdings within the group and the way that H and C controls companies while having only minority stakes. And the pressure, perhaps most threatening



Tom Prentice

of all, is the Malaysian Government's desire to see most of the economy in local hands.

The purpose of the merger with HME, coming as the climax to a succession of other hard fought bids, is to plug the last major gap in H and C's defences. Early in 1977, three Malaysian satellites were combined. In face of vociferous opposition, it created Harrison's Malaysian Estates; a bid for one of the satellites, Golden Hope, being fended off in the process. Then, last Autumn, Malaysian Plantations was bid for and H and C came in with a successful, if expensive, counter-bid. It followed by acquiring Harcos Investment Trust, again despite opposition, and most recently it fended off a bid for another associate, London Sumatra Plantations.

It will make HME, the jewel in H and C's crown, a subsidiary instead of a vulnerable associate. The man in charge of fighting these battles has been at the helm for less than a year. As well as fighting takeovers, he has had to take the fundamental decision to turn back the clock on H and C's diversification programme. Rarely can a company chairman have had such a baptism of fire.

His background would not have suggested it. He has had little experience of the City and still less of the Press. However, he does know Malaysia. He spent 20 years living in a rather remote part of it.

Scottish

Born and bred in Scotland, Tom Prentice joined the Territorials in 1939 at the age of 20. He served most of the war in the 7th (Scottish) Hussar Medium Regiment of the Royal Artillery in the European theatre.

He got his job with H and C through a newspaper advertisement, but his Scottish background was probably a help in an industry which has so many of them. He spent the next two decades in the jungles of Sabah, a remote part of Malaysia not on the peninsula itself. The main business there was cutting down timber and shipping it out to Hong Kong at first and later all over the world. In the second half of his stay there he was in charge of creating a new pulp plantation. On his return to head office he was given a roving brief and in July last year he became chairman.

His merchant bank, Baring Brothers, is full of praise for how he has adapted to the City after spending so much of his life shovelling logs around Fandakan. Prentice makes a policy out of adaptability. In contrast to most of the old planters who try to resist all attempts to drag them into the post-war world.

But Prentice has much of the stamp of the canny old Scot about him. He speaks cautiously and works in offices of which a later day Scrooge would not approve. And he is utterly determined to keep the H and C's shareholders in the know. "We have our own shareholders to consider too." And while keeping to the letter of the City Takeover Code, H and C may have given the impression of leaving the spirit to look after itself. "We will stick to our last," he says. A tough nut of the old sort.

Alarm at EEC concession to Portugal on textiles

BY RHYS DAVID, TEXTILES CORRESPONDENT

A MAJOR threat to the tough line on textile imports from third countries, secured by the EEC in the recent General Agreement on Tariffs and Trade multi-fibre arrangement negotiations, has emerged following a decision by the European Commission to recommend significant concessions to Portugal.

The Commission, in a note to member states, has indicated its intention of accepting a request by Portugal for an easing in the limitations imposed on Portuguese exports to the Community of certain products, including cotton yarn and cloth, and spun man-made fibre cloth.

The three form part of a group of eight highly sensitive products on which the Community demanded and obtained absolute ceilings on imports from all sources in the multi-fibre arrangement talks last December.

The recommendation has already caused considerable alarm in the U.K., with fears that concessions to Portugal will almost certainly be followed by similar treatment from other countries including Spain, Greece and Turkey, and the main Far East exporters.

The cumulative effect, the textile industry believes, could be to undermine the much more stable position which the Community's tough stance in the multi-fibre talks was designed to achieve.

Although the matter is officially only being considered by the U.K. Government, Ministers are expected to take it up urgently in Brussels.

The Commission's action is likely to be discussed at the next Council of Ministers meeting on June 6, when Britain seems likely to press for a reversal of the Commission's recommendations as being in breach of the Community's policy.

Addressing the British Textile Confederation in London yesterday Sir Peter Carey, Permanent Secretary at the Department of Industry, admitted his concern and said that Britain would maintain cautious vigilance "to ensure delivery of what was promised last December."

A complication is that Portugal as a Mediterranean associate was not expected to reach a multi-fibre bilateral agreement with the EEC but was asked instead to agree to an undertaking that it would place its exports on the same footing as other main exporters and put similar restrictions on its import of sensitive products.

The Portuguese have been reluctant to agree to an undertaking of this nature, however, and it is their counter-proposal asking for concessions which the Commission has now apparently accepted.

Apart from the three highly sensitive products on which the Portuguese want increases, the package also includes proposals for extra growth in other product areas although this is balanced by the offer of reductions in other products.

The Portuguese have argued for more lenient treatment because textiles and clothing represent a major proportion of their economy and unless increased access is given to their industry employment will be threatened, undermining further the country's still shaky democratic system.

Britain's concern over the concession is all the greater as the U.K. has since the days of EFTA been by far the most important market for Portugal and would probably be the main target of any further increase.

The U.K. textile industry has been warning since the multi-fibre agreement was signed that the arrangements covering the Mediterranean associates represent a weak link.

These are not fixed increases, being dependent to some extent on market conditions. The target milk price to producers is theoretically supposed to rise to 11.56p a litre from 9.9p but the milk Board expects it to rise to about 10.3p from 9.9p.

Mr. Silkin, while claiming the result as a great victory, admitted that there were possible price rises on the way to sugar, pork, bacon and bread will go up by smaller amounts.

The last three because of rises in the cost of cereals.

John Cherrington writes: As far as British farmers are concerned the intervention and other support prices will rise by about 10 per cent due to the effect of the review and of the devaluation last January of the "green pound"—the exchange rate used to convert common prices into sterling.

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John Cherrington writes: As far as British farmers are concerned the intervention and other support prices will rise by about 10 per cent due to the effect of the review and of the devaluation last January of the "green pound"—the exchange rate used to convert common prices into sterling.

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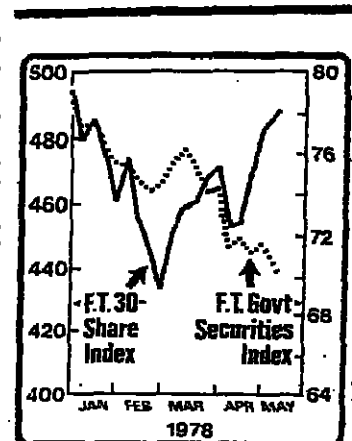
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THE LEX COLUMN

Equities ignore the bad news

Index rose 8.4 to 488.3



This is turning out to be a punch ball market: however hard it is hit, the market comes bouncing back for more. A week ago equities brushed aside a 14-point rise in Minimum Lending Rate, and though share prices faltered early this week, they soon overcame Tuesday's shock news of a 3.1 per cent rise in the banks' eligible liabilities, and moved steadily ahead.

On Thursday when the Bank of England confessed it had been too optimistic in compiling its money supply sums. So the FT 30-Share Index has advanced a further 6.8 points over the week, and with second line stocks moving faster than the leaders the FT-Actuaries All-Share Index actually reached a new 1978 high last night.

Even glib-edged, although the index went to a 1978 low on Thursday, have resisted the bad monetary news with some spirit. The intriguing point is that long yields refuse to go above 13 per cent, and yesterday buyers were nibbling at the long top Exchange 12 per cent 1988 although the Government Broker is not yet thought to have supplied any stock to the jobbers.

The authorities' tactics in the gilt market appear to have been, first, to get all the bad news out of the way (hence the surprise money supply statement on Thursday) and secondly to drop broad hints that Mondays' trade figures will be reasonably so next week the Government broker will be selling stock hard, with a new short put available from Thursday.

A lot of institutional liquidity has been slopping around, helping to sustain the equity market, and no doubt a large amount can be now siphoned off into gilts if the authorities succeed in creating the right conditions. But on a slightly longer view the signs of monetary excesses which have been emerging this week are far from encouraging. A stock market buoyed up by an excessive growth of money supply (sterling M3 seems to have been growing at an annual rate of near 25 per cent, so this year) must be vulnerable to a future tightening of credit.

NatWest goes West

The National Bank of North America does not have quite the same cachet as the Bank of America but by any criterion hit by the real estate crisis of

Size apart, the attractions of the deal are less obvious. Clearly, NatWest is being asked to pay a very high price for the Exchange on the understanding that the Talisman settlement system, a private base in America, a price of \$300m, compares with an adjusted net worth of \$183m.

And attributable profits are just \$8.4m. So NatWest is paying something like 36 times earnings. It is hard to find comparisons. Standard Chartered offered roughly the equivalent of net worth for Bancal Tri-state last year, but this bid failed. Back in 1974 Lloyds paid \$115m for a bank which now earns \$6.3m. Clearly it is going to be some time before NatWest's acquisition covers its financing costs.

As it stands, National Bank of North America is not particularly profitable. It was hard hit by the real estate crisis of

At least the Council was free of financial worries last year. Bumper issues of gilts and the peak of the bull market in equities boosted the trading volume on the exchange and with it the Exchange's revenues. In the Exchange's business year to March 31 the number of bargains per day was 23,312, up from 19,297 a year earlier, with the bulk of the increase taking place in the equity market.

U.S. arms embargo vote angers Turkey

By Our Foreign Staff

TURKEY REACTED strongly yesterday to the vote of the U.S. Senate Foreign Relations Committee against ending the American embargo on arms supplies to Ankara.

A senior Cabinet Minister said that Turkey would dismantle all the U.S. bases on its territory and end what he called the "special relationship" with Washington if the embargo remained in force.

In a major setback for the Carter Administration the committee narrowly rejected a proposal backed by the President to resume supplying arms to Turkey.

Supplies were cut off three years ago after the Turkish invasion of Cyprus. The Turks retaliated several months later by closing all but one of the 28 U.S. bases on their territory.

President Carter felt that without U.S. supplies, Turkey would not be able to maintain its commitment to NATO. There have been suggestions from Ankara that the Soviet Union would be prepared to supply arms instead.

In West Germany, Chancellor Helmut Schmidt promised more military and economic aid to Turkey to fill the gap left by the U.S. embargo.

He told Mr. Bulent Ecevit, the Turkish Prime Minister, who is on an official visit to West Germany, that he was against the U.S. embargo.

He added, however, that before more aid was given to Turkey, she would have to put her house in order financially.

Mr. Ecevit is due to visit Moscow in June to sign an agreement on "friendly relations and co-operation." In its present form, the document is merely a reiteration of the principles of the Helsinki accord.

However, a spokesman for the Turkish Government said that in the present atmosphere the agreement could become a non-aggression treaty.

Blow to Carter, Page 2

Gilts 87% of Exchange trading

BY NICHOLAS COLCHESTER

NO LESS than 87 per cent of money," he said. Long term rates on the Stock Exchange last year consisted of 12 per cent and were now headed up again.

"People in Westminster think we are a casino in company shares; they do not believe me when I say that we have become a market in gilts," Mr. Goodison said yesterday.

The Stock Exchange's annual report shows that, whereas gilt trading accounted for a little over half of exchange turnover at the beginning of 1974, the proportion was now 87 per cent.

The Exchange continued its recovery from three years of losses which ended two years ago, and raised its surplus from £1.1m to £4.86m. This surplus enabled the exchange to pay off debts incurred in its recent burst of capital investment and to achieve a surplus of current assets over current liabilities for the first time since 1973.

He blamed the Government for holding long-term interest rates at a level that put long-term borrowing out of reach of industry. Government is not constrained by the need to make a profitable return on the